



HUNAS HOLDINGS PLC

ANNUAL REPORT

2021/2022





***Accelerating our transition,
Positioning for sustainable growth.....***

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ABOUT US



VISION

Vision & Mission



MISSION

“Hunas Holdings PLC aims to invest and form a portfolio of sustainable investments, driven by established goals to build shareholder value, while being mindful of its social, environmental and economic responsibilities, as it remains to be committed to integrity, morality & fairness in all dealings with its stakeholders.”

Our Strategy



FUTURE-ORIENTED

Hunas moves in only one direction: Forward. We invest and operate in industries of the future that can help transform a nation. Hunas also acts as a catalyst to rejuvenate old industries through creative innovation.

LASTING PARTNERSHIPS

Hunas understands that the key to business success is relationships. We place a premium on building long-term relationships with our clients. Our equity stake in projects make us a local partner rather than a mere a project coordinator

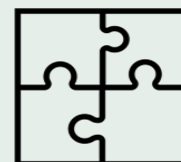


SOCIALLY RESPONSIBLE INVESTING (S.R.I)

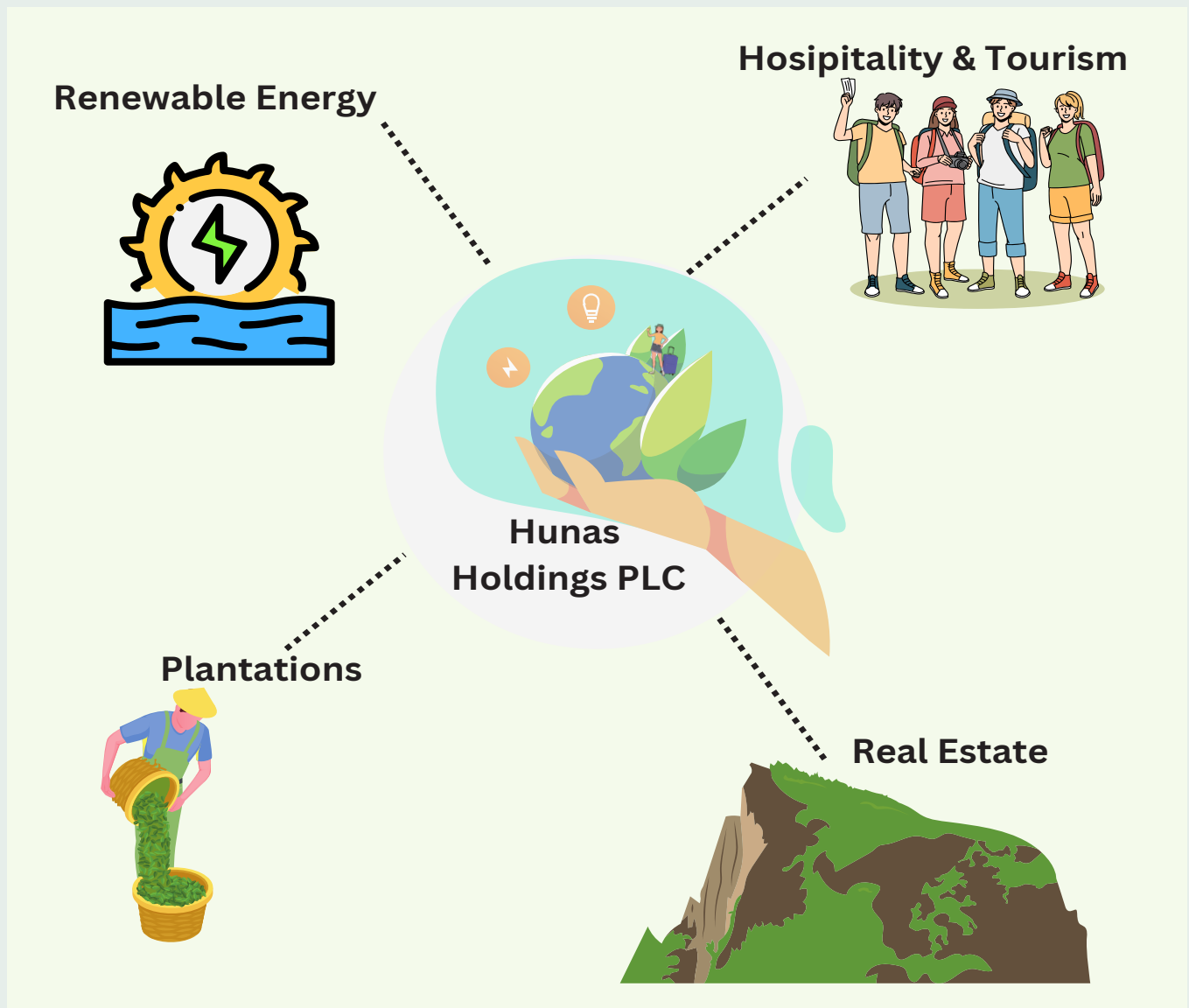
We think long-term. Hunas invests in projects that are sustainable. The projects are environmentally friendly and provide a sustainable rate of return for the investor.

SYNERGIES THROUGH DIVERSIFICATION

Hunas is a conglomerate that operates across various industries. This allows us to pool our extensive resources and combine knowledge to create unique value propositions.



Hunas Holding PLC formally known as Hunas Falls Hotels PLC has been in operations in the Tourism and Hospitality for over 30 years and has been listed since 1993. Following the consolidation of 11 companies, the Group now stands proud as a diversified conglomerate with a market capitalization of LKR 27 Billion. Having its ventures across key sustainable industries, which include Hospitality and tourism, Renewable Energy, Real Estate, and Agriculture (Tea Plantations, Factories & Brokerage) the mission of the Group, is to be a trailblazer in sustainable and ethical business in Sri Lanka by following innovative sustainable practices whilst preserving the integrity and morality of the company.





FINANCIAL HIGHLIGHTS

Financials at a glance

	Group 02 Months period ended 31 March 2022	Company 2022
Annual Turn Over	226 Mn	60 Mn
Other Income	14 Mn	13 Mn
Finance Cost	(11 Mn)	0.3 Mn
Profit Before Tax (PBT)	(77 Mn)	(41 Mn)
Profit After Tax (PAT)	(77 Mn)	(35 Mn)
Total Assets	7.2 Bn	5 Bn
Net Assets Per Share	5.49	5.37

226 Mn
TURNOVER

OTHER INCOME
14 Mn

FINANCE COST
(11 Mn)

PBT
(77 Mn)

PAT
(77 Mn)

TOTAL ASSETS
7.2 Bn

NET ASSETS PER SHARE
5.49



CHAIRMAN'S REVIEW

Chairman's Review

Dear Shareholders,

On behalf of the Board, I am pleased to present the Annual Report and the financial statements of Hunas Holdings PLC for the year ended 31st March 2022. This year has been a momentous period for the Company as we now stand as a diversified conglomerate listed on the Colombo Stock Exchange.

The PLC that once operated as a Hotel is now transformed into a Group with the infusion of LKR 4.25 billion in capital through the transfer of 11 assets. During the conversion, with the best interest of protecting our minority shareholders in mind, the company processed the transaction without any dilution of our minority interest. Whilst setting an example of positive corporate governance and responsibility, this was solely done so our minority shareholders' would not be impacted in a negative manner.

Hunas Holdings PLC operates in several key industries, including tourism and hospitality, renewable energy, real estate and Plantations (Tea estate, factories and in tea brokering). Not only has the company strengthened through this diversification, the company has added multiple income streams whilst the capital infusion has augmented and expanded the asset base in Hunas Holdings PLC. Furthermore, the increase in the consolidated asset base will facilitate the company's future expansion by making it easier to raise funds through borrowings for potential future developments, investments and acquisitions.

Sri Lanka in Context

In the beginning of the year, business activities were affected as the new variant of COVID-19 surged, leading to sporadic lockdowns and mobility restraints put in place to combat the spread of the virus. The immunization program was launched by the authorities with the intent of returning the country to normalcy. The closure of borders during the COVID-19 pandemic triggered a chain of cascading events that has directly affected the rise of global inflation & food scarcity.



During the end of the year, the Invasion of Ukraine by Russia immensely contributed to the ongoing soaring global inflation and food security across the world. Whilst developed countries witnessed relatively lower inflation, developing and economically weak countries went into near-hyperinflation. During January 2022, Sri Lanka's foreign reserves depleted by 24% to USD 2.3 billion, with this the country did not have the required foreign reserves to combat the conspiring circumstances of the rising inflation which led the country to face with its worst economic crisis.

Even though Sri Lanka's GDP grew by 3.7% in 2021, with a strong rebound in the first quarter of the year, with Services, industry, and agriculture—the three main economic sectors—experienced moderately good growth rates of 3%, 5.3%, and 2%, respectively. The macroeconomic policy outlined by Sri Lanka's Central Bank (CBSL) helped in this, no doubt to maintain viability of our businesses. Nevertheless, by the end March of 2022, foreign currency reserves had dipped to dangerously low levels.

Presently, GDP has been forecasted to contract by 9.2% due to the economic unrest that developed during the fourth quarter of the financial year. However, financial stability is expected following the International Monetary Fund relief and bailout package, for which a staff-level agreement has been reached.

The World Bank too has forecasted slow growth in South Asia, and this pace may well be even slower in Sri Lanka amidst the present challenges. The macro-economic environment will likely remain volatile in the short term, whilst long term stability will be predicated on an enabling political environment.

Company Operations

The Company transformed itself into a diversified conglomerate, with the transfer of assets in various industries with the objective of canvassing higher investment to strengthen and increase the diversity of the Group.

Through the transition the leisure sector was infused with a range of reputed hotels located throughout Sri Lanka, from the spectacular coastal belt, the misty green Hill Country regions and to the borders of the World Heritage site of Sinharaja Rainforest. The Group holds the ownership of Hunas Falls Hotel, Rainforest edge Hotel, Aigburth Bungalow and as well as the Boulder Gardens designed by a close disciple of the world renowned Architect, Geoffrey Bawa.

The leisure sector commenced its recovery in January 2021, with the uptick in tourist arrivals; the said recovery was significantly hindered by the new waves of the pandemic later that year. In 2022, tourist arrivals rose raising hopes of a sustained recovery. The growing political instability and social unrest, together with a continuously deteriorating macroeconomic environment posed significant challenges in attracting target customers. Accordingly, the Hotels witnessed fewer arrivals during the first few months of 2022.

Whilst adapting to the frequent changes, our dedicated management team and staff embraced an innovative, adaptive working environment and conducted weekly reviews to drive the hotel's revenue, and to maintain running costs of the hotel at a minimum. Furthermore, soft refurbishments were carried out at the properties in order to provide an enhanced level of service and comfort to its guests when the industry conditions return to normal. To present a better value proposition to guests, various packages have been curated and introduced to complement the varied interests such as trekking, bird watching and others.

The Plantation sector was incorporated within the group and currently holds ownership of the Aigburth Estate; which possesses a century old tea garden, Tea Factories and the fourth largest Tea Brokerage Company which is one out of the only eight licensed Tea Brokerage Companies in the Country. Due to the various import bans including fertilizer imposed by the government, the company resorted to sustainable methods such as using organic fertilizer in the sector. Due to the abrupt ban on inorganic fertilizer, the cost of production and labor costs witnessed a significant increase, even though the company was in the process of adopting organic fertilizer to its operations prior to the ban.

The Group further holds ownership of 5 Mini-hydro power plants with a collective capacity of 6Mw located in the Ratnapura & Kandy Districts. Even though the Renewable Energy sector had a promising outlook with the increase in rainfall, recording a higher plant factor in comparison to the previous year due to the above mentioned economy situation the government is yet to settle the dues owed to the company for a period of 14 months.

Amidst the challenges and rough waters faced by the Company and the country, the management of the Company was able to ensure job security towards all its employees, as we believe in protecting our people during the times of crisis as their tireless contributions are essential to the success of the Group as a whole.

Future Outlook

The company successfully infused as a conglomerate at the height of the most challenging times in the country. We will continue to strive to contribute to the development of the key industries in the country as a group.

Our priority is sustaining the integrity of the Group financial position in order to secure the best interest of all our employees, shareholders and the all other stakeholders. Whilst taking care of our Hunas Community, we wish to stand with our nation in time of need and contribute towards uplifting our country through the economic crisis as a responsible company.

The board is focused on long term prospects of the company, and strategically planning the direction of the Company as it focuses on strengthening partnerships with its foreign investors to grow the business to its optimum level amidst the challenges ahead. I remain highly optimistic for the long-term potential of our business diversification and its stakeholders, with various strategies in place to tackle any challenge that may be ahead of us.

Acknowledgments

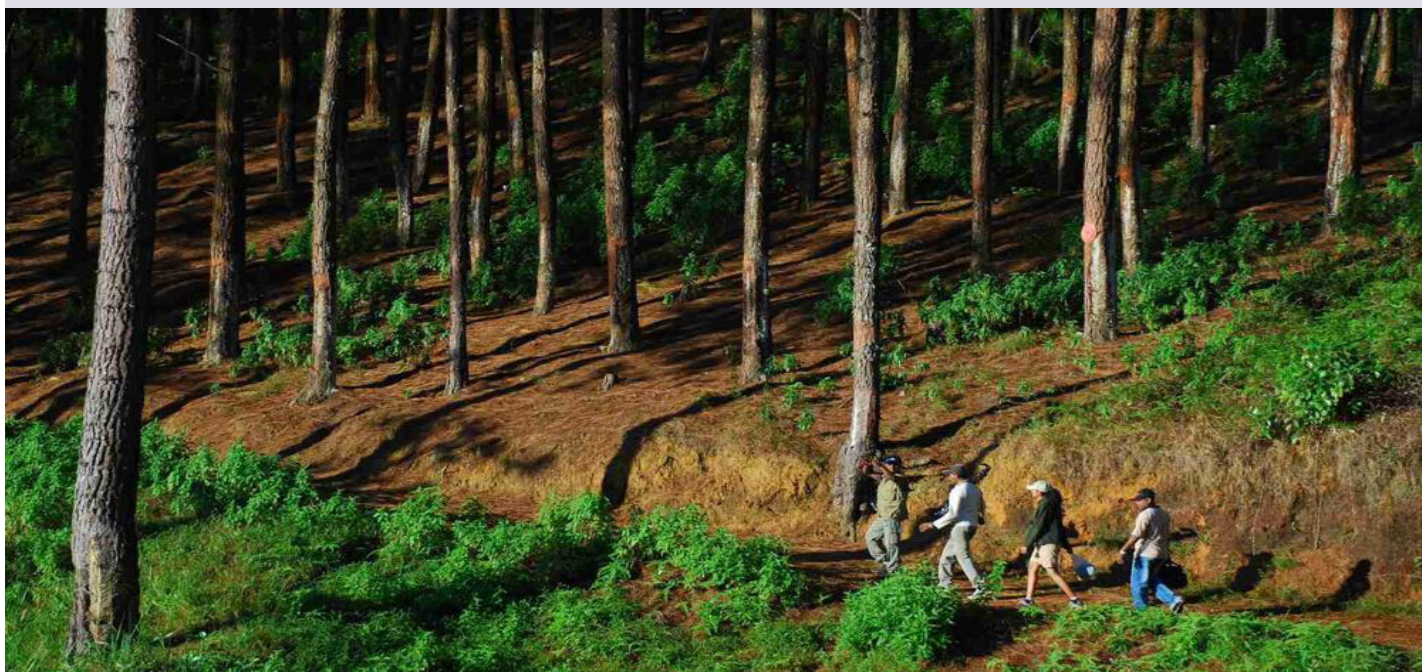
I wish to take this opportunity to thank my fellow members of the Board for their invaluable guidance and support throughout this year. My sincere appreciation goes out to our management team for their untiring efforts and commitment to Hunas during this grim period. My heartfelt gratitude is further extended to our shareholders, our loyal guests, our partners and other stakeholders, and the entirety of our Hunas ecosystem for the untiring and continued support extended to us during this challenging year.

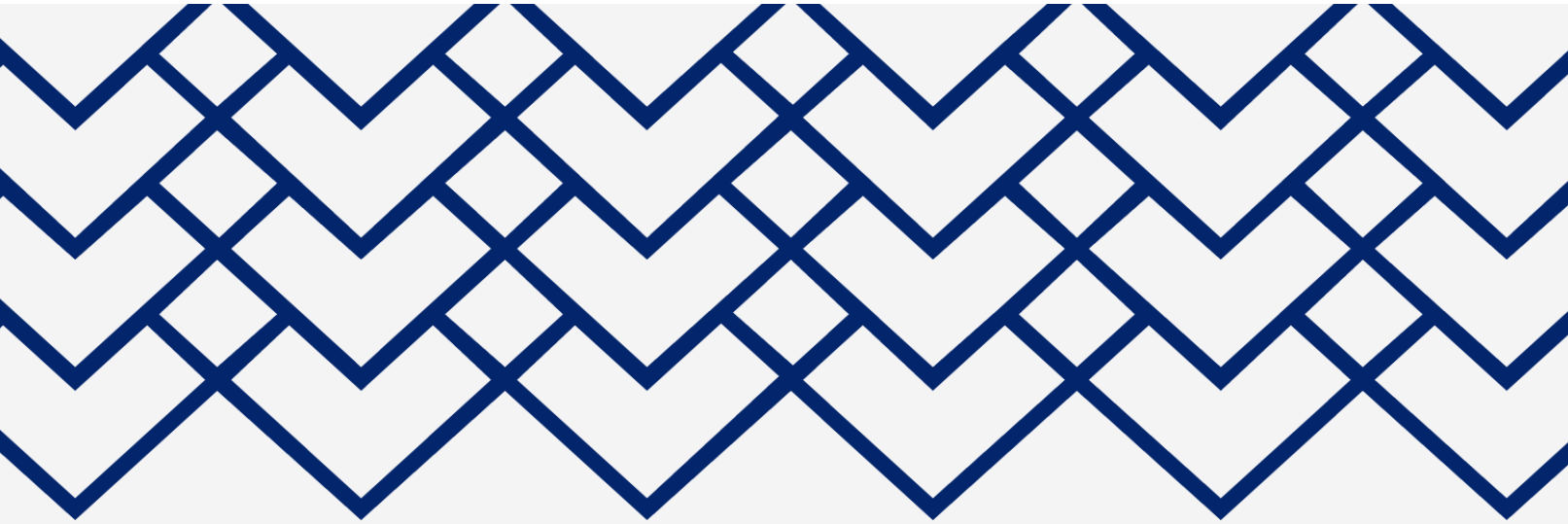


Dhanuka Samaraasinghe

Chairman

04th Januray 2023





**PROFILES
OF THE
BOARD OF DIRECTORS**

Mr. Dhanuka Samarasinghe - Chairman

Mr. Samarasinghe is a strategist; who has been in the Board of Hotel Development PLC since 2015 and whose academic roots come from Strategic Business Management.

Upon the completion of his studies at Deakin University, Australia, Dhanuka joined his family businesses that were mainly engaged in Plantations and Rubber.

Dhanuka is one of the proud co-founders of the TAD Group of Companies, a fast-growing diversified conglomerate. The group holds over 30 subsidiaries, headed by Dhanuka as the Chairman, playing an instrumental role as a strategist on the overall operations of the Group.

Dhanuka also serves as the Chairman of the Board at Mercantile Produce Brokers, currently the 4th Largest Tea Brokering Company in Sri Lanka and as a Director of Hotel Developers (Lanka) PLC - a publicly listed company at the Colombo Stock Exchange, owning Hilton, Colombo.

Mr. Atheeque Ansar - Executive Director

Mr. Ansar serves as the Managing Director for the TAD Group of companies adding unsurpassed value to the group through his envisioned and far-sighted business personality as well as his passion for business.

He is a specialist in finance with a keen interest in promoting sustainable businesses while discharging social, environmental and economic responsibilities towards all stakeholders involved in businesses headed by him.

Being a proud co-founder of TAD, his own business venture, Atheeque holds over 10 years of corporate experience in the field of finance, having served for internationally acclaimed corporate setups such as Price Waterhouse Coopers and Moody's Analytics.

Ms. Sujivie Irugalbandara - Executive Director

Ms. Irugalbandara holds the Finance Directorship of the TAD Group of Companies, adding immense value as an outstanding feminine representation in the board. She is a strong believer of women empowerment and equality and takes pride in accepting challenges in life and facing them successfully by her profile of talents and charisma.

She has been heading the overall Finance and Tax Functions and involved in strategic planning, in several leading corporates in Sri Lanka over the years. An Alumni of KPMG, Ms. Irugalbandara counts over 28 years of experience in the field of finance and also holds corporate Directorship at Sierra Cables PLC.

She holds a Master of Business Administration in Finance, from the University of South Queensland reflecting the scholarly insight in her area of expertise.

Ms. Pravini Wickramanayake - Executive Director

Ms. Wickramanayake manages the Investor Relations Division at TAD Group and also functions in the capacity of the Board Secretary. Having a background in Accounting and Finance, she obtained her BBA (Specialised) in Accounting and Finance from the Ritsumeikan Asia Pacific University in Japan.

Mr. Gajan Vinothan - Independent Non - Executive Director

Mr. Vinothan is a Management Accountant by Profession, a CIMA Passed finalist and Trained Financial Analyst. He has over seven years of experience working at PricewaterhouseCoopers and Moody's Analytics.

Presently, he is also the Director and CEO of Stripes & Checks (Pvt) Ltd, the company behind the Menswear brand Stripes & Checks Inc which he Co-Founded in 2014.

Ms. Anushi Senaratne – Independent Non-Executive Director

With over 18 years of professional work experience in the Corporate sector, Ms Anushi is a qualified associate member of CIMA UK, since 2006. She also holds a Bsc (Hon) in applied accounting from Oxford Brookes University (UK) and an MBA in Human Resource Management from the University of Colombo, Sri Lanka.

Having worked as the Deputy General Manager of Human Resources at MAS Intimates (Pvt) Ltd, she also served at Heineken Lanka Ltd. Presently Ms. Anushi is serving as the HR director at Hela Clothing (Pvt) Ltd. Throughout her working career, she also has held the positions of Finance Manager, Group Management Accountant & Management accountant.





MANAGEMENT DISCUSSION & ANALYSIS

Management Discussion & Analysis

Following the ownership transfer of the 11 companies to the Group, the market capitalization of Hunas Holdings PLC stands at LKR 30 billion. Having its ventures in multiple sectors, the dynamics of the operating environment plays a key role for the Group to strategize accordingly, where identified risks are mitigated and opportunities are seized.

Plantation Sector

The plantation sector is perceived as a catalyst player in the Group with the ownership of Suriyakanda Plantations (PVT) Ltd, Rainforest Tea Factory (PVT) Ltd & Mercantile Produce Brokers (PVT) Ltd, now under Hunas Holdings PLC. The above companies can be segregated into three areas; the Estate, Factories & Brokerage company. The Estate is of a century old tea garden in Suriyakanda that produces premium quality tea. It is uniquely located in between the winds of Hambanthota and the aroma and breeze of the Sinharaja Rainforest setting, with a total extent of 2,148 acres.

Tea Production & Factories

Despite the tea crop being hindered during the year as a combined result of the global pandemic the domestic economic, political and social unrest, and the short supply of inorganic fertilizer and agrochemicals, due to restricted logistics and imports, the Company was still able to record an increase of 4.7 % in the total crop for the financial year. Shortage of fertilizer and agro-chemicals did not drastically affect the growing conditions of the product, as the Company was already in the process of transitioning to organic fertilizer to maintain sustainable production. However, despite the adverse conditions, the Company witnessed crop rises, which also increased the cost of production, along with the intake of laborers, to meet the necessary requirements and combat the issues arising.

As a result of an increased crop, tea production during the year too recorded an increase, rising to 985,000 kg from 940,000 kg recorded during the previous financial year amidst the challenges presented by the global pandemic.

The improved tea production contributed towards posting an incremental revenue in the tea segment, despite the decline in the Net Sales Average, from Rs.646 per kilo in 2020 to Rs. 631 per kilo during 2021, owing to lower prices at auction. The Company continued in pursuing all possible measures to improve productivity and the quality of tea manufactured during the year. These measures, together with following recommended agricultural best practices, including the timely application of organic fertilizers, have thus contributed towards these much desired improvements.



Tea Brokerage

Tea broking links the producers of high-quality Ceylon Tea to potential buyers (exporters) in the country, whilst ensuring the quality of tea, obtaining the best prices at auction, and adhering to sound financial policies that benefit the parties involved and upholding the many other time-honoured practices of a tea broker. One of the primary services provided by brokers include tea warehousing which allows many high-end tea estates to store their produce in well-equipped and technologically advanced facilities.

Mercantile Produce Brokers (PVT) Ltd is a leading tea broker in Sri Lanka with a history spanning over 30 years. Over the three decades of operations, the firm has seen many changes both structurally and technologically, with the company establishing itself as a key player in the marketing of low and mid grown teas. It has also entered the corporate and smallholder grower sector with high rates of success. Having gained immense expertise in the field, the firm has been able to strategize and forecast favourable situations, which has led to a significant value addition to this national crop.



Renewable Energy Sector

At present, the Group operates three operational mini-hydro power plants in two different regions of the country namely, Eratne Power (PVT) Ltd, Kuruganga Hydro Power (PVT) Ltd and Weswin Power Galaha (Pvt) Ltd. Due to the unusual increase of rainfall in these areas, there was an increase in power generation of 31%, 13% and 45%, respectively.

However, due to the economic crisis, maintenance costs have risen, and furthermore, wages of all employees were also increased due to the situation in the country. Despite all of the adversities, this segment remained resilient and had its best year on record, in terms of power generation, financial performance, and development efforts.

We continue to assist the national drive to expand renewable energy resources in Sri Lanka, and to that end, we have completed building our fourth mini-hydro power plant with a capacity of 3MW, which is expected to be operational by the end of 2022. Currently, the Group runs three mini hydro power plants with a total capacity of 3MW. All of our projects are equipped with cutting-edge electromechanical equipment and a skilled and experienced team, which propels our energy generation process and allows us to operate at peak efficiency. As we expand our activities, we are conscious of the fact that sustainability and care for people and the environment pervade our operations, and work to ensure that our carbon impact remains modest. In total, we generated and provided 11.6 GWh to the national grid during the fiscal year under review, up from 9 GWh in 2020/2021.

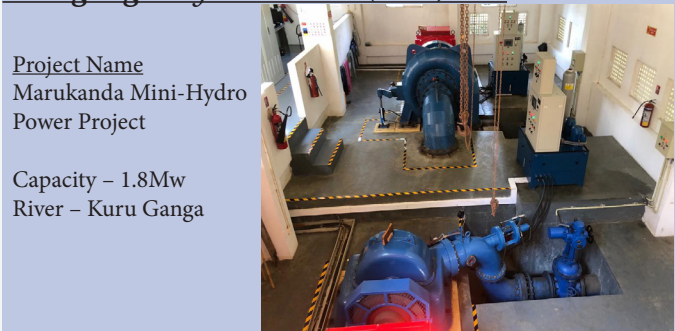
Eratne Power Company (Pvt) Ltd



Project Name
Binwatura Mini-Hydro Power Project

Capacity - 650Kw
River - Binathura Ela

Kuruganga Hydro Power (PVT) Ltd



Project Name
Marukanda Mini-Hydro Power Project

Capacity - 1.8Mw
River - Kuru Ganga

Weswin Power Galaha (PVT) Ltd



Project Name
Nilambe (Deltota) Oya Mini-Hydro Power Project

Capacity - 400 Kw
River - Nilambe Oya

Tourism & Hospitality Sector

Sri Lanka Tourism

The Tourism Industry worldwide faced and continues to face unprecedented challenges as a result of the global pandemic. However, Sri Lanka did make a gradual recovery in the latter half of 2021, reopening to international visitors in January 2021, drawing a large number of visitors. Tourist arrivals rose progressively beginning in September 2021 and peaking in December 2021. However, the total number of visitor arrivals in 2021 fell by 61.7% to 194,495, from 507,704 in 2020, with 507,311 arriving in the first three months of 2020 alone. As a result, nationally, Tourism profits fell by 25.7% to USD 507 million in 2021, from USD 682 million in 2020.

Approximately 285,334 foreign tourists have visited Sri Lanka for the year ending on March 31, 2022. For the month of March, the top source markets were India, the United Kingdom, and Germany, followed by the Russian Federation and France. From January 2021 to December 2021, India contributed up to 42%, ranking first on the list. Russia and the United Kingdom each sourced 12%, while Germany and Ukraine contributed up to 9% and 5%, respectively.

Company Outlook

The Group holds ownership in four leisure properties which are Hunas Falls Hotel, Boulder Gardens, Rainforest Edge Hotel and Aigburth Bungalow. Possessing a total occupancy capacity of 81 rooms, the segment entertains approximately 100,000 guests annually. To combat the spread of COVID-19 as the vaccine programme was been implemented, the management of the hotels took steps to ensure that all staff members were vaccinated to safeguard the wellbeing of employees, their families and guests. The management at the Hotels took necessary actions to create a safe environment for guests, implementing various strategies to ensure compliance with health regulations, with sanitary requirements being given the highest priority. During this period certain properties were temporarily closed for soft refurbishments in order to enhance the guest experience.



Further, this opportunity was used by the management to conduct trainings programmes to improve and enhance the service standards across the department and upskill the staff. Aiming to cater to a higher-end market, physical excursions have been introduced to create a luxury adventure experiences for guests.

The Company also affirmed job security to all staff during this period. Furthermore, whilst managing its resources, the Company is developing new methods to address any potential risks and challenges that might arise amidst the ongoing economic crisis in the country. Whilst the tourism from a global perspective rejuvenates, steps are been taken to promote and amp up the domestic market.

Real Estate Sector

The Group holds ownership of a property with a land bank of 77 acres under TAD Human Capital Solutions (Pvt) Ltd for the purpose of real estate development.





GOVERNANCE

CORPORATE GOVERNANCE

The Group’s framework has its own set of internal benchmarks, processes and structures towards meeting accepted best practice, in addition to the ‘triggers’ which ensure compliance with mandatory regulatory requirements. This framework is regularly reviewed and updated to reflect global best practice, evolving regulations, and dynamic stakeholder needs, while maintaining its foundational principles of accountability, participation and transparency.

- Companies Act No.7 of 2007
- The Listing Rules of the Colombo Stock Exchange

The recommendations of the code of Best Practice on Governance issued jointly by the securities and Exchange Commission of Sri Lanka and the Institute of Chartered Accountants of Sri Lanka (Joint Code) to the extent that they are practicable.

Hunas Holdings PLC, through a process of continuous review, is committed to maintaining the highest standards of business integrity, ethical values and professionalism in all of its activities and relationships, nurturing the trust placed in it by all its stakeholders by greater value creation, year-on-year.

This philosophy has been ingrained at all levels in the company through a strong set of corporate values and a code of conduct which staff at all levels and the Board of Directors are required to follow in the performance of their official duties and in circumstances that are publicly profiled. These values are reinforced through the Company’s recognition schemes which insist, as a minimum, that all nominees have modeled the values.

Code of Conduct

- Allegiance to the Company
- Compliance with rules and regulations applicable in the territories in which the Company operates
- Conduct of business in an ethical manner at all times and in keeping with acceptable business practices
- Exercise of professionalism and integrity in all business and ‘public’ personal transactions

The Company believes that the core values that underlie its corporate activities are the main source of its competitive advantage which is rewarded by the trust placed in it by stakeholders.

The Chairman of the Board affirms that there has not been any material violation of any of the provisions of the code of conduct. In instances where violations did take place, they were investigated and handled through well established procedures.

Board Meetings & Attendance

The Board of Hunas Holdings PLC met once every quarter. Ad hoc meetings are held as and when necessary. The Director’s attendance is shown in the table below.

<u>Name of Director</u>	<u>Meetings Attended</u>
Mr. W.S.L.D.R. Samarasinghe	4/4
Mr. M.A.A. Atheeq	4/4
Mrs. G.S.M Irugalbandara	4/4
Ms. P. Wickramanayake	4/4
Mr. G. Vinothan	4/4
Ms. H.A.D. Senaratne	4/4

SECTION 1: CODE OF BEST PRACTICE ON CORPORATE GOVERNANCE ISSUED BY THE SECURITIES AND EXCHANGE COMMISSION OF SRI LANKA (SEC) AND THE INSTITUTE OF CHARTERED ACCOUNTANTS OF SRI LANKA (CASL)				
Corporate Governance Principles		Reference of Code	Compliance	The Company's Extent of Compliance in 2021/2022
A. DIRECTORS				
A.1 THE BOARD				
The Company is headed by an effective Board of Directors with local and international experience. The Board of Directors of the Company consists of professionals in the fields of Accounting, Management, Law, Economics, Marketing and Business Leaders. All Directors possess the skills and experience and knowledge complemented with a high sense of integrity and independent judgment. The Board gives leadership in setting the strategic direction and establishing a sound control framework for the successful functioning of the Company. The Board's composition reflects a sound balance of independence and anchors shareholder commitment. Profiles of Directors are given on page no 14.				
1.	Board Meetings	A.1.1	Complied	The Board usually meets at quarterly intervals, but also meets more frequently when needed. The Board met 04 times during the year under review. Scheduled Board meetings were arranged well in advance, and all Directors were expected to attend each meeting. Any instances of non-attendance of Board meetings were generally related to prior business, personal commitments or illness. The attendance at Board meetings held is set out on page 22.
2.	Board Responsibilities	A.1.2	Complied	The Board is responsible to the shareholders for creating and delivering long- term sustainable shareholder value through the business. The Board ensures the formulation and implementation of a sound business strategy. The Board has put in place a Corporate Management team led by the Chairman with the required skills, experience and knowledge necessary to implement the business strategy of the Company. The Board also ensures effective systems are in place to secure integrity of information, internal controls and risk management. The Board ensures that the Company's values and standards are set with an emphasis on adopting appropriate accounting policies and fostering compliance with financial regulation.
3.	Compliance with Laws and access to independent professional advice	A.1.3	Complied	The Board collectively, and Directors individually must act in accordance with the laws as applicable to the Company. The Company had complied with all applicable laws and regulations during the year. A procedure has been put in place for Directors to seek independent professional advice in furtherance of their duties, at the Company's expense. This will be coordinated through the Company or the Board Secretary when requested.
4.	Company Board	A.1.4	Complied	All Director s have access to the advice and services of the Company Secretary as required. The Company Secretary keeps the Board informed of new laws and revisions, and regulations and requirements coming into effect which are relevant to them as individual Directors and collectively to the Board.
5.	Independent judgment	A.1.5	Complied	All Directors exercise independent judgment in decisions made by the Board on issues of strategy, performance, resource allocation and the conduct of business.

Corporate Governance (Contd...).

Corporate Governance Principles		Reference of Code	Compliance	The Company's Extent of Compliance in 2021/2022
6.	Dedication of adequate time and effort by the Board and Board Committees	A.1.6	Complied	All Directors of the Company dedicate adequate time and effort to fulfill their duties as Directors of the Company (both before and after the Board Meetings), in order to ensure that the duties and responsibilities owed to the Company are satisfactorily discharged.
A.3 CHAIRMAN'S ROLE				
The Chairman leads and manages the Board, ensuring that it discharges its legal and regulatory responsibilities effectively and fully preserves order and facilitates the effective discharge of the Board functions. The profile of the Chairman is given on page 15.				
7.	Role of the Chairman	A.3.1	Complied	The Chairman is as an outstanding business leader, provides leadership to the Board, controls and preserves order at Board meeting and provides the Board with strategic direction and guidance in managing the affairs of the Company. The Chairman is also responsible for: • Ensuring the new Board members are given an appropriate induction, covering terms of appointment, • The effective participation of both Executive and Non-Executive Directors; • All Directors are encouraged to make an effective contribution, within their respective capabilities, for the benefit of the Company; • A balance of power between Executive and Non-Executive Directors is maintained; • The views of Directors on issues under consideration are ascertained:
A.4 FINANCIAL ACUMEN				
The Code requires that the Board comprises of members with sufficient financial acumen and knowledge in order to offer guidance on matters on finance. The Board of the Company has met the above requirement as as the member of the audit committee is a qualified accountant having professional qualifications and equipped with sufficient financial acumen and knowledge to offer guidance on matters of finance.				
8.	Financial acumen and knowledge	A.4	Complied	The Board comprises one CIMA qualified accountant who serves as member of the Audit Committee. This Director add substantial value and independent judgment on the decision-making of the Board on matters concerning finance and investment.

Corporate Governance Principles		Reference of Code	Compliance	The Company's Extent of Compliance in 2021/2022
A.5 BOARD BALANCE				
The Code requires that a balance is maintained between the Executive and Non- Executive Directors (NEDs) so that no individual or a small group of individual Directors are able to dominate the Board's decision-making. The Board consists of Four (04) Executive Directors and Two (2) Non-Executive Directors. Each of them brings to the Board, wide experience and the ability to exercise independence and judgment when taking informed decisions.				
9.	Presence of Non - Executive Directors	A.5.1	Complied	Two (2) out of Six (6) Directors are Non-Executive Directors, which is well above the minimum number prescribed by this Code.
10.	Criteria to evaluate Independence of Non- Executive Directors	A.5.3	Complied	Refer Section A 5.5 below. The Board considers Non- Executive Director's independence on an annual basis. For a Director to be deemed 'independent', such a Director should be independent of management and free of any business or any other relationship that could materially interfere with or could reasonably be perceived to materially interfere with the exercise of their unfettered and independent judgment.
11.	Signed declaration of independence by the Non-Executive Directors	A.5.4	Complied	Every Non-Executive Director of the Company has made a written submission as to their independence against the specified criteria.
12.	Determination of independence of the Board	A.5.5	Complied	The Board has determined the independence of Directors based on the declarations submitted by the Non-Executive Directors, as to their independence as a fair representation and will continue to evaluate their independence on this basis annually. No circumstances have arisen for the determination of independence by the Board, beyond the criteria set out in the Code. Independent Non-Executive Directors are: Mr. G Vinothan Ms. H A D Senaratne
A.6 SUPPLY OF INFORMATION				
Management should provide time-bound information in a format that is appropriate and enables the Board to discharge its duties. Financial and non- financial information is analysed and presented to the Board to make informed and accurate decisions.				
13.	Obligation of the Management to provide appropriate and timely information to the Board	A.6.1	Complied	The Board was provided with timely and appropriate information by the management by way of Board papers and proposals. The Board sought additional information as and when necessary. The Chairman also ensured all Directors were properly briefed on issues arising at Board meetings.
14.	Adequate time for effective Board meetings	A.6.2	Complied	The minutes, agenda and papers required for Board meeting are provided in advance to facilitate its effective conduct.

Corporate Governance (Contd...)

Corporate Governance Principles	Reference of Code	Compliance	The Company's Extent of Compliance in 2021/2022	
A.7 APPOINTMENTS TO THE BOARD				
The Code requires having a formal and transparent procedure in place for the appointment of new Directors to the Board.				
15.	Nomination Committee	A.7.1	Complied	The Nomination Committee of the Company makes recommendations to the Board on all new Board appointments. The Nomination committee consists of following members Mr. W S L D R Samarasinghe Chairman Executive Director Mr. G Vinothan

Corporate Governance Principles		Reference of Code	Compliance	The Company's Extent of Compliance in 2021/2022
B. DIRECTORS' REMUNERATION				
B.1 REMUNERATION PROCEDURE				
This principle ensures that the Company has a well-established, formal and transparent procedure in place for developing an effective remuneration policy for both Executive and Non-Executive Directors where no Director is involved in deciding his/her own remuneration in order to avoid potential conflict of interest.				
19.	Establishment of remuneration committee	B.1.1, B.1.2, B.1.3, B.1.4 & B.1.5	Complied	The Remuneration Committee of the Company and recommends the remuneration payable to the Director(s) and sets guidelines for the remuneration of management staff within the Company. The Board makes the final determination after considering such recommendation. The Remuneration Committee comprise of following members Ms. H A D Senaratne - Chairman Independent Non - Executive Director Mr. G Vinothan - Member Independent Non - Executive Director Payment of remuneration to directors is disclosed in page 89 of this report. No director is involved in deciding his own remuneration.
B.2 THE LEVEL AND MAKE UP OF REMUNERATION				
The level of remuneration of both Executive and Non-Executive Directors should be sufficient to attract and retain the Directors needed to run the Company successfully. A proportion of Executive Directors' remuneration should be structured to link rewards to the corporate and individual performance.				
20.	Level of remuneration	B.2.1, B.2.2, B.2.3 & B.2.4	Complied	The Remuneration Committee structures the remuneration package to attract, retain and motivate the directors needed to run the company successfully but avoid paying more than is necessary for this purpose. The remuneration levels relative to other companies and performance of the directors are taken in to account when considering the remuneration levels of the directors.
21.	Levels of Remuneration of Non-Executive Directors	B.2.10	Complied	Remuneration for Non-Executive Directors reflects the time commitment and responsibilities of their role, taking into consideration market practices.
B.3 DISCLOSURE OF REMUNERATION				
The Code requires the Company to disclose in its Annual Report the details of the remuneration paid and the Remuneration Policy.				
22.	Disclosure of Remuneration	B.3.1	Complied	Please refer page 89 for the total Directors' remuneration

Corporate Governance Principles		Reference of Code	Compliance	The Company's Extent of Compliance in 2021/2022
C. RELATIONS WITH SHAREHOLDERS				
C.1 CONSTRUCTIVE USE OF THE ANNUAL GENERAL MEETING (AGM) AND CONDUCT OF GENERAL MEETINGS				
The Code requires the Board to use the AGM which is a major event in the Company's calendar to communicate with shareholders and encourage their active participation. In this regard, all shareholders of the Company receive the Notice of Meeting within the statutory due dates.				
23.	Use of proxy votes	C.1.1	Complied	The Company has in place an effective mechanism to count all proxies lodged on each resolution, and the balance for and against the resolution, after it has been dealt with on a show of hands, except where a poll is called.
C.2 COMMUNICATION WITH SHAREHOLDERS				
The Code Requires the board should implement effective communication with shareholders.				
24.	Channel to reach all shareholders	C.2.1	Complied	The main mode of communication between the Company and the shareholders is the Annual General Meeting. Shareholders are provided with the information prior to the AGM. Further, financial and other announcements are promptly submitted to CSE to publish in the CSE website.
25.	Policy methodology for communication with shareholders.	C.2.2.	Complied	An open door policy is in place, which enables shareholders to keep in constant touch, visit and obtain information from the Company Secretary and engage in dialogue Contact details are published in all annual and quarterly financial reporting.
26.	Implementation of the policy and methodology for communication with shareholders.	C.2.3 C.2.7	Complied	Please refer C.2.4 and C.2.5 for the implementation of the policy and methodology
27.	Contact person for communication	C.2.4 & C.2.6	Complied	Details of contact persons are disclosed in the back inner cover of the Annual Report and Quarterly Financial Statements.
28.	Process to make directors aware of major issues and concerns of shareholders	C.2.5	Complied	The company secretary maintain a record of all correspondence about all major issues and concerns of the shareholders.
29.	Process for responding shareholder matters	C.2.7	Complied	Covered under the section C.2
D. ACCOUNTABILITY AND AUDIT				
D.1 FINANCIAL AND BUSINESS REPORTING (THE ANNUAL REPORT)				
The Board should present a balanced and understandable assessment of the company's financial position, performance and prospects.				
30.	Board's responsibility for Statutory and Regulatory Reporting	D.1.1	Complied	The Board has recognized the responsibility to present regulatory and statutory reporting in a balanced and understandable manner. When preparing Quarterly and Annual Financial Statements, the Company complied with the requirements of the Companies Act No. 07 of 2007 and prepared and presented them in accordance with Sri Lanka Accounting Standards. The Company has complied with the reporting requirements prescribed by the Colombo Stock Exchange.
31.	Declaration by Directors' report in the Annual Report	D.1.4	Complied	Complied The Directors have made all required declarations in the 'Annual Report of the Board of Directors and appears on pages 40 to 42.
32.	Statement of Directors' and Auditor's responsibility for Financial Reporting	D.1.5	Complied	"The 'Statement of Directors' Responsibility' is given on page 39. See the 'Auditors' Report' on pages 43 to 46 for the reporting responsibility of Auditors."

Corporate Governance Principles		Reference of Code	Compliance	The Company's Extent of Compliance in 2021/2022
D.2 RISK MANAGEMENT AND INTERNAL CONTROL				
The Board should have a sound system of internal controls to safeguard shareholders' investments and the Company's assets. The board is responsible for determining the nature and extent of the principal risks it is willing to take in achieving its strategic objectives.				
33.	Disclosure of related party transactions	D.1.8	Complied	Refer the Related Party transaction Review committee report on page 35.
34.	Annual evaluation of the internal controls system and Risk Management	D.2.1	Complied	"The Board is responsible for the Company internal control and its effectiveness. Internal control is established with emphasis placed on safeguarding assets, making available accurate and timely information and imposing greater discipline on decision-making. It covers all controls, including financial, operational and compliance controls and risk management. It is important to state, however, that any system can ensure only reasonable, and not absolute, assurance that errors and irregularities are prevented or detected within a reasonable time.
35.	Review of the process and effectiveness of risk management and internal controls.	D.2.4	Complied	The Audit Committee reviews internal control issues and risk management measures and evaluates the adequacy and effectiveness of the risk management and internal control systems including financial reporting.
D.3 AUDIT COMMITTEE				
The Board should have formal and transparent arrangements in selecting and applying the accounting policies, financial reporting and internal control principles and maintaining an appropriate relationship with the Company's External Auditor.				
36.	Composition of the Audit Committee	D.3.1	Complied	The Audit Committee was consists of Two independent Non Executive Directors and one Non - Executive Director of the Company Mr. G Vinothan -Chairman (Independent Non - Executive Director) Ms. H A D Senaratne - Member (Independent Non - Executive Director) The Company Secretary Serves as its Secretary. and Chief Accountant invited to attend meetings as required. The input of the statutory Auditors will be obtained where necessary. The Audit Committee is required to assist the Company to achieve a balance between conformance and performance.
37.	Terms of reference of the Audit Committee	D.3.2	Complied	Terms of Reference of the Board Audit Committee is clearly defined in the Charter of the Audit Committee approved by the Board of Directors. This clearly explains the purpose of the Committee, its duties and responsibilities together with the scope and functions of the Committee. The Committee is required mainly to deal with the matters pertaining to statutory and regulatory compliance in financial reporting, matters with regard to the External Auditors and Risk Management procedures of the Company. Refer audit committee report on pages 33 to 34.
38.	Disclosures of the Audit Committee	D.3.3	Complied	The names of the members of the Audit Committee are given under section D.3.1 of this Code. Refer the Audit Committee report on pages 33 to 34.

Corporate Governance Principles		Reference of Code	Compliance	The Company's Extent of Compliance in 2021/2022
D.4 RELATED PARTY TRANSACTIONS REVIEW COMMITTEE				
The Board should establish a procedure to ensure that the Company does not engage in transactions with "related parties" in a manner that would grant such parties "more favorable treatment" than that accorded to third parties in the normal course of business.				
39.	A related party and related party transactions will be as defined in LKAS 24.	D.4.1	Complied	Please refer Related Party Transaction review Committee Report on page 35.
40.	Establishment of related party transaction review committee and composition.	D.4.2	Complied	Please refer Related Party Transaction review Committee Report on page 35.
41.	Written terms of reference of related party transaction review committee.	D.4.3	Complied	Please refer Related Party Transaction review Committee Report on page 35.
D.5 CODE OF BUSINESS CONDUCTED AND ETHICS				
The Company should develop a Code of Business Conduct and Ethics for Directors and members of the Senior Management team and must promptly disclose any waivers of the Code for Directors or others.				
42.	Code of Business Conduct and Ethics	D.5.1	Complied	The Company has developed a Code of Conduct for its employees. This Code addresses conflict of interest, corporate opportunities, confidentiality of information, fair dealing, protection and proper use of the Company's assets, compliance with laws and regulations and encouraging the reporting of any illegal or unethical behavior, etc.
D.6 CORPORATE GOVERNANCE DISCLOSURE				
Directors of the Company disclose annually the Company's adherence to the Code of Best Practice on Corporate Governance issued jointly by The Institute of Chartered Accountants of Sri Lanka and The Securities and Exchange Commission of Sri Lanka.				
43.	Disclosure of corporate governance	D.6.1	Complied	This requirement is met through the presentation of this report.
E. INSTITUTIONAL INVESTORS				
E.1 SHAREHOLDERS' VOTING				
Institutional shareholders are required to make considered use of their votes and are encouraged to ensure their voting intentions are translated into practice.				
44.	Communication with shareholders	E.1.1	Complied	In order to avoid conflicts of interest by nurturing the mutual understanding, the Board carries out dialogues with its shareholders at general meetings. In this regard, the AGM of the Company plays a critical role. Voting by the shareholders is crucial in carrying a resolution at the AGM. The Chairman, who plays the role of the agent, communicates the views and queries of the shareholders to the Board and the senior management, in order to ensure that the views are properly communicated to the Company.

SECTION 2 : COLOMBO STOCK EXCHANGE LISTING RULES Statement of Compliance This section covers Hunas Falls Hotels PLC's extent of adherence to the requirements of the Continuing Listing Requirements of Corporate Governance Rules for Listed Companies issued by the Colombo Stock Exchange.				
Rule No.	Subject	Hunas Extent of Adoption	Compliance Status	Reference in this Report
7.10.1(a)	Non-Executive Directors (NED)	Two (2) of the Six (6) Directors were Non-Executive Directors	Complied	Corporate Governance
7.10.1(b)	Basis of Calculation of Total Number of Non-Executive Directors	Based on the number as at the conclusion of the immediately preceding AGM	Complied	Corporate Governance
7.10.2 (a)	Independent Directors (ID)	Two (2) of the Two (2) Non-Executive Directors were Independent	Complied	Corporate Governance
7.10.2 (b)	Independent Directors	All Non-Executive Directors have submitted their confirmation of independence as per the criteria set by the CSE rules, which is in line with the regulatory requirements.	Complied	Corporate Governance
7.10.3 (a)	Disclosure relating to Directors	The Board assessed the independence declared by the Directors and determined the Directors who are independent and disclosed same in item A.5.5 of the CASL Code table.	Complied	Corporate Governance
7.10.3 (b)	Disclosure relating to Directors	The Board has determined that Two (2) Non-Executive Directors satisfy the criteria for "independence" set in the Listing Rules as in item A.5.5 of the CASL code table.	Complied	Corporate Governance
7.10.3 (c)	Disclosure relating to Directors	A brief resume of each Director should be included in the Annual Report including the Director's areas of expertise.	Complied	Profile of the Board in the Annual Report
7.10.3 (d)	Disclosure relating to Directors	New director appointments	Complied	Corporate Governance
7.10.5	Remuneration Committee	Remuneration Committee functions are stated in the corporate governance page at 27.	Complied	Corporate Governance
7.10.5 (a)	Composition of Remuneration Committee	The Remuneration Committee was comprised of One (01) Non-Executive Director and Two (2) Independent Non-Executive Directors. Current Committee consists Two (2) Independent Non - Executive Directors.	Complied	Corporate Governance
7.10.5 (b)	Functions of Remuneration Committee	The Remuneration Committee shall recommend the remuneration of the Executive Directors.	Complied	Annual report of Board of Directors
7.10.5 (c)	Disclosure in the Annual Report relating to Remuneration Committee	Names of Remuneration Committee members are given in section B.1.3 of the CASL code. The Remuneration paid to Directors is given in the Note 31 to the Financial Statement on page 89.	Complied	Annual report of the Board of Directors and Corporate Governance
7.10.6 (a)	Composition of Audit Committee	Shall comprise of NEDs, a majority of whom will be independent.	Complied	The Audit Committee Reports and Corporate Governance
7.10.6 (b)	Audit Committee Functions	Audit Committee functions are stated in the Audit Committee Report - Page 33 to 34.	Complied	Corporate Governance and the Audit Committee Reports
7.10.6 (c)	Disclosure in Annual Report relating to Audit Committee	The names of the Audit Committee members given on page 34. The basis of determination of the independence of the Auditor is also given in section D.3.4 of the CASL code.	Complied	Corporate Governance and the Audit Committee Reports
7.6.(vii)	Employees and Industrial relations	There is no dispute are on Industrial relations	Complied	Corporate Governance
7.13.1	Minimum Public Holding	The Company does not comply with option 5 of the Listing rules 7.13.1(a) which requires a 20% minimum Public Holding.	Non Complied	Share and Investor Information

This section covers Hunas Falls Hotels PLC's extent of adherence to the requirements of the Code of Best practice on Related Party Transactions issued by the Securities & Exchange Commission of Sri Lanka and Section 9 of the Listing Rules of the Colombo Stock Exchange:

Rule No.	Subject	Hunas Extent of Adoption	Compliance Status	Reference in this Report
9.2.1 & 9.2.3	Related Party Transactions Review Committee (RPTRC)	The functions of the committee are stated in Related Party Transactions re-view Committee report in page 35-36.	Complied	Annual report of the Board of Directors and Related Party Transactions Review Committee Report
9.2.2	Composition of the Related Party Transactions Review Committee	The RPTRC was consists of following directors Mr. G Vinothan Chairman Independent Non - Executive Director Ms. H A D Senaratne Member Independent Non - Executive Director Ms. M A A Athuq Member Executive Director	Complied	Annual report of the Board of Directors and Related Party Transactions Review Committee Report
9.2.4	Related Party Transactions Re-view Committee-Meetings	The committee met 03 times during the financial year of 2019/2020	Complied	Related Party Transactions Review Committee Report

AUDIT COMMITTEE REPORT

The Audit Committee is comprised of two Independent Non-Executive Directors.

Mr. G Vinothan	Chairman
	Independent Non - Executive Director
Ms. H A D Senaratne	Member
	Independent Non - Executive Director

The Board Secretary functions as the Secretary to the Audit Committee.

The Audit committee has a written Terms of Reference dealing clearly with its authority and duties. This is established for the purpose of assisting the Board in fulfilling their oversight responsibilities regarding the integrity of the financial statements, risk management, internal control, and compliance with legal and regulatory requirements, review of External Auditors' performances, independence and the internal audit functions.

Meetings

The Audit Committee held four meetings during the financial year.

Name of the Director	Total
Mr. G Vinothan	4/4
Ms. H A D Senaratne	4/4

Functions of the Audit Committee

Financial Reporting

As part of its responsibility to oversee the Company's financial reporting process on behalf of the Board of Directors, the Committee has reviewed and discussed with the Management, the annual and the quarterly Financial Statements prior to their issuance, including the extent of compliance with the Sri Lanka Accounting Standards and the Companies Act No. 07 of 2007. Matters of special interest in the current environment and the process that supports certifications of the Financial Statements by the Company's Managing Director, Chief Financial Officer and Accountant were also brought up for discussion.

Risk and Controls

The Committee have taken reasonable measures to safeguard the assets of the Company and, in that context, have instituted appropriate systems of internal control with a view to preventing and detecting fraud and other irregularities.

External Audit

The Committee met with the External Auditor during the year to discuss their audit approach and procedures, including matters relating to the scope of the audit. In addition, the annual evaluation of the independence and objectivity of the External Auditor and the effectiveness of the audit process was also undertaken. The Lead partner is required to be rotated every five years, in order to ensure the independence of the Auditor.

The Non-Audit Services provided by the External Auditor were also reviewed and the committee was of the view that such services did not impair their independence and were not within the category of services identified as restricted under the Guidelines for Listed Companies on Audit and Audit Committees issued by the Securities and Exchange Commission of Sri Lanka.

The re-appointment of the External Auditor, M/s Ernst & Young has been recommended to the Board of Directors and the Committee has also fixed the Auditor's remuneration, for approval by the shareholders at the Annual General Meeting.

Internal Audit

During the year, the Audit Committee reviewed the performance of the internal audit function, the findings of the audit function, and the findings of the audits completed, which covered the operational and financial aspects of the Group. The Committee, with special reference to the internal controls regarding Group operations, and the department's resource requirements, including succession planning, also approved the internal audit plan.

Regulatory Compliance

The Accounts has submitted to the Audit Committee, a report on the extent to which the company was in compliance with the mandatory and statutory requirements. The Committee reviewed the procedures established by Management for compliance with the requirements of regulatory bodies and also ensured full compliance with the Colombo Stock Exchange Rule No.7.10 on corporate Governance disclosure requirements, which is given on page 31.

Committee Evaluation

The annual evaluation of the committee was conducted by the Chairman, Chief Financial Officer, Internal Auditor and the External Auditor in accordance with international best practices and was deemed to be satisfactory.



G. Vinothan
Chairman
Audit Committee
04th Januray 2023

RELATED PARTY TRANSACTION REVIEW COMMITTEE REPORT

The Related Party Transaction Review Committee of Hunas Holdings PLC, the Company in terms of the Code of Best Practice on Related Party Transactions issued by the Securities & Exchange Commission of Sri Lanka and Section 9 of the Listing Rules of the Colombo Stock Exchange.

Composition of the Committee

The Related Party Transactions Review Committee consists of Two (02) Independent Non - Executive Director and one Executive Director.

Mr. G Vinothan	- Chairman Independent Non - Executive Director
Ms. H A D Senaratne	- Member Independent Non - Executive Director
Mr. M A A Atheeq	- Member Executive Director

The Duties of the Committee

The duties of the Related Party Transactions Committee are to:

Review in advance all proposed related party transactions of the Company, either prior to the transaction being entered into or, if the transaction is expressed to be conditional, upon such review that finds that the stipulated conditions have been met, prior to the completion of the transaction.

Seek any information the Committee requires from management, employees or external parties with regard to any transaction entered into with a related party.

Obtain knowledge or expertise to assess all aspects of proposed related party transactions where necessary, including obtaining appropriate professional and expert advice from suitably qualified persons.

Recommend, where necessary, to the Board and obtain their approval prior to the execution of any related party transaction.

Monitor that all related party transactions of the entity are transacted on normal commercial terms and are not prejudicial to the interests of the entity and its minority shareholders.

Monitor that all related party transactions of the entity are transacted on normal commercial terms and are not prejudicial to the interests of the entity and its minority shareholders.

Meet with the management, Internal Auditors/External Auditors as necessary to carry out the assigned duties.

Review the transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

Review the economic and commercial substance of both recurrent/non recurrent related party transactions.

Monitor and recommend the acquisition or disposal of substantial assets between related parties, including obtaining 'competent independent advice' from independent professional experts with regard to the value of the substantial asset of the related party transaction.

Task of the Committee

The Committee reviewed all related party transactions of Hunas Holdings PLC with regard to compliance as described above and communicated their findings to the Board.

The Committee, in its review process, recognized the adequate nature of the content and quality of the information forwarded to its members by the management.

Attendance

The Committee held meetings 04 times during the year under review. The attendance of the meetings was as follows:

Name of the Director	Total
Mr. G Vinothan	4/4
Ms. H A D Senaratne	4/4
Mr.M A A Atheeq	4/4

Activities 2021/2022

The Related Party Transactions Review Committee of the Entity is of the view that the transaction/s is/are on normal commercial terms, and is/are not prejudicial to the interests of the Entity and its minority shareholders. The Related Party Transactions Review Committee has obtained the services of Messrs. KPMG Chartered Accountants, to carry out the valuations prior to forming its view on the transactions.

- Name of the relevant related party:

Serenity Lake Leisure (Private) Limited

- Relationship between the entity and the related party:

Serenity Lake Leisure (Pvt) Ltd is the majority shareholder of Hunas Falls Hotels PLC

- Details of the transaction:

Serenity Lake Leisure (Pvt) Ltd which owns approximately 94% of the Equity shares of Hunas Falls Hotels PLC, with the intention to augment the asset position of Hunas Falls Hotels PLC, will infuse Capital through its Equity in the form of shares which it owns in other Companies to the value of Rs. 4,254,073,000/-, and will be reflected in the books of Hunas Falls Hotels PLC as investments. The said infusion of Capital will not result in any issue of new shares and there will be no dilution of the minority interest.



G. Vinothan

Chairman

Related Party Transaction Committee

04th Januray 2023

REMUNERATION COMMITTEE REPORT

The objectives of the Remuneration Committee are to review and approve overall remuneration philosophy, strategy policies and practices including performance-based pay schemes and benefits. The policy is to prepare compensation packages to attract and retain a highly qualified, experienced workforce and reward performance, bearing in mind the business performance and long-term shareholder returns. The committee comprises three Non-executive Directors, as shown as in the below table. The members of the committee met on a quarterly basis throughout the year under review.

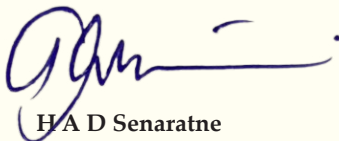
The Remuneration Committee was comprised of two Non-Executive Directors.

Ms. H A D Senaratne	Chairman
	Independent Non - Executive Director
Mr. G Vinothan	Member
	Independent Non - Executive Director

Meetings

The committee held 04 meetings during the year of which the attendance details are as below

Name of the Director	Total
Ms. H A D Senaratne	4/4
Mr. G Vinothan	4/4

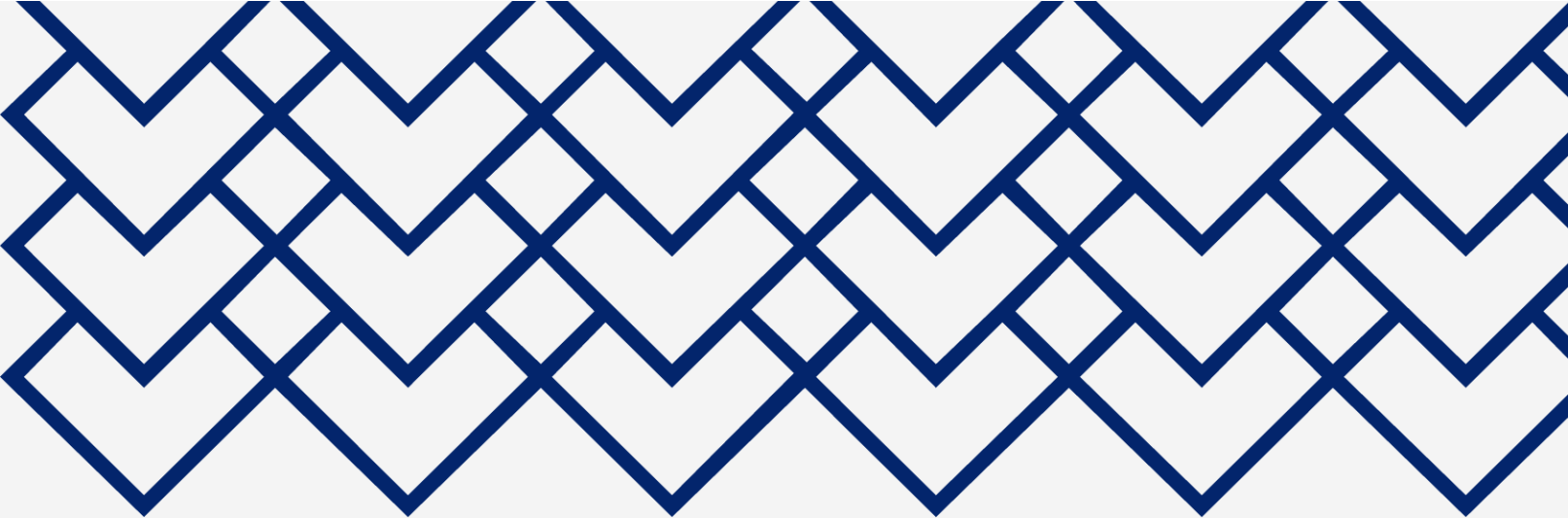


H A D Senaratne

Chairman

Remuneration Committee

04th Januray 2023



FINANCIAL STATEMENTS

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible, under Sections 150 and 151 of the Companies Act No. 07 of 2007, to ensure compliance with the requirements set out therein to prepare Financial Statements for each financial year giving a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit and loss of the Company for the financial year. The Directors are also responsible, under Section 148 for ensuring that proper accounting records are kept to disclose, with reasonable accuracy, the financial position and enable preparation of the Financial Statements.

The Board accepts responsibility for the integrity and objectivity of the Financial Statements presented. The Directors confirm that in preparing the Financial Statements, appropriate accounting policies have been selected and applied consistently while reasonable and prudent judgments have been made so that the form and substance of transactions are properly reflected.

They also confirm that the Financial Statements have been prepared and presented in accordance with the Sri Lanka Financial Reporting Standards/ Sri Lanka Accounting Standards (SLFRS/LKAS). The Financial Statements provide the information required by the Companies Act and the Listing Rules of the Colombo Stock Exchange. The Directors have taken reasonable measures to safeguard the assets of the Group, and in that context, have instituted appropriate systems of internal control with a view to preventing and detecting fraud and other irregularities.

The External Auditors, Messrs Ernst & Young, are deemed reappointed in terms of Section 158 of the Companies Act No. 07 of 2007 and were provided with every opportunity to undertake the inspections they considered appropriate to enable them to form their opinion on the Financial Statements. The Report of the Auditors, shown on page 33 sets out their responsibilities in relation to the Financial Statements.

Compliance Report

The Directors confirm that to the best of their knowledge, all statutory payments relating to employees and the Government that were due in respect of the Company as at the end of financial year have been paid or where relevant, provided for.

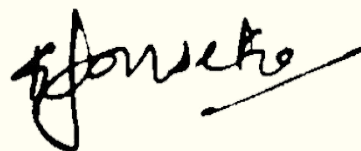


W S L D R Samarasinghe
Chairman



G S M Irugalbandara
Director

For and Behalf of Hunas Holdings PLC
S S P CORPORATE SERVICES (PRIVATE) LIMITED



Secretaries

04th Januray 2023
Colombo

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

The Board of Directors are pleased to present their report and the Audited financial statement of the Company for the Year ended 31st March 2022.

The details set out herein provide the pertinent information required to be disclosed by the Companies Act No. 07 of 2007, the Colombo Stock Exchange Listing Rules and are guided by recommended best accounting practices.

Review of the Year

The Chairman's statement on page no 10 to 13 reviews the affairs of the Company for the financial year ended 31st March 2022. These reports form and integrate the part of the annual report of the Board of Directors of the year under review.

Principal Activity

Hunas Holding PLC formally known as Hunas Falls Hotels PLC, has its ventures in several key industries, which include Hospitality and tourism, Renewable Energy, Real Estate, and Agriculture (Tea Plantations, Factories & Brokerage).

Financial Statements

The Audited Financial Statements of the Company are given on pages 38 to 95 in the Annual Report.

Auditor's Report

The Auditors' Report on the Financial Statements is given on pages 43 to 46 in the Annual Report.

Accounting Policies

The Accounting Policies adopted by the Company in the preparation of Financial Statements are given on pages 52 to 68 in the Annual Report. The Accounting Policies adopted are consistent with those of the previous financial year.

Interests Register

The Company maintains an Interest register and the particular of those directors who were directly or indirectly interested in a contract of the Company are stated therein.

Directors' Interest in Transactions

The Directors of the Company have made the general disclosures provided for in Section 192 (2) of the Companies Act No. 07 of 2007. The related party disclosures and the Directors of each of these related parties are given on page 89.

Directors' Remuneration and other Benefits

The Directors' Remuneration in respect of the Company for the financial year ended 31st March 2022, amounted to nil.

Directors' Shareholdings

The Directors of the Company as at 31st March 2022 did not hold any shares in the Company.

Board Sub - Committees

Audit Committee

Mr. G Vinothan	Chairman
	Independent Non - Executive Director
Ms. H A D Senaratne	Member
	Independent Non - Executive Director

Audit Committee appears on page 34.

Remuneration Committee

Ms. H A D Senaratne	Chairman
	Independent Non - Executive Director
Mr. G Vinothan	Member
	Independent Non - Executive Director

Remuneration Committee appears on page 38.

Related Party Transaction Review Committee

Mr. G Vinothan	- Chairman
	Independent Non - Executive Director
Ms. H A D Senaratne	- Member
	Independent Non - Executive Director
Mr. M A A Atheeq	- Member
	Executive Director

The report of the Related Party Transaction Review Committee appears on page no 36.

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY (CONT...)

Donations

At the last Annual General Meeting shareholders approved a sum not exceeding Rs. 50,000/- in respect of donations. The donations given during the year amounted to Rs.20,000/- (2021 : Rs. 30,000) No donations were made for political purposes.

Directorate

The Directors of the Company

Mr. W S L D R Samarasinghe Chairman

Mr. M A A Atheeq Executive Director

Ms. G S M Irugalbandara Executive Director

Ms. P Wickremanayake Executive Director

Mr. G Vinothan Independent Non - Executive Director

Ms. H A D Senaratne Independent Non - Executive Director

Auditors

Messrs Ernst & Young, Chartered Accountants are deemed re-appointed as auditors in terms of Section 158 of the Companies Act No. 07 of 2007.

A resolution proposing the Directors be authorized to determine their remuneration will be submitted at the Annual General Meeting.

The Auditors fee for the Group amounted to Rs. 3,883,563/- . The fee for the Company amounted to Rs.475,000/- (2021: Rs. 475,000/-) as audit fees by the Group. As far as the Directors are aware, the Auditor does not have any relationship (other than that of an auditor) with the Group other than those disclosed above. The Auditors also do not have any interests in the Group.

Turnover

The turnover (Net) by the Company for the year was Rs.59,525,389/- (2020/2021 - Rs.24,704,695/-). The Group generate an amount of Rs.225,748,672/-

Profit / (Losses)	Group	Company	
	2022 Rs.	2022 Rs.	2021 Rs.
Net (Loss) for the Year after providing for all expenses known liabilities and depreciation of Fixed Assets	(76,983,509)	(35,398,166)	(46,501,052)
Accumulated Profit at End of the Year	56,495,955	95,680,098	129,666,843

Taxation

The Company is liable to pay income tax at the rate of 24% on income from operations. Other income is taxed at 24%.

Property, Plant and Equipment

The carrying value of property plant and equipment for the Company and the Group as at 31st March 2022 amounted to Rs. 343,153,841 and Rs. 4,110,805,500 respectively. The total expenditure on the acquisition of property, plant and equipment during the year in respect of new assets acquired by the Company and the Group amounted to Rs. 2,304,704 and Rs. 32,608,766 respectively.

Stated Capital

The Stated Capital as at 31st March 2022 was Rs 4,336,573,000/= comprising 843,750,000 (following the share split 1:150) (2020/2021- Rs.82,500,00 Value/ Number of shares :5,625,000) fully paid Ordinary Shares.

Post Balance Sheet Events

Events occurring after the reporting date are given in the note 30 to the Financial Statements.

Statutory Payments

The Directors confirm that to the best of their knowledge all taxes and dues payable by the Company and all contributions, levies and taxes payable on behalf of and in respect of the employees of the Company and all other known statutory dues as were due as at the balance Sheet date have been paid or provided.

Public Shareholding

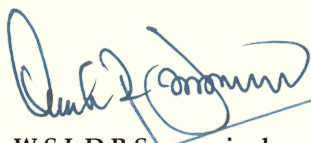
As at 31st March 2022: 6.53% (2021 : 6.53%) of the issued capital of the Company was held by the public, comprising 1,967 (2020:1,854) shareholders

Going Concern

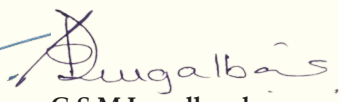
The Directors, after making necessary inquiries and reviews for the year, capital expenditure requirements, future prospects and risks, cash flows and borrowing facilities have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Therefore, the going concern basis has been adopted in the preparation of the Financial Statements.

Annual General Meeting

The Annual General Meeting is scheduled to be held on 27th of January 2023, at 10.30 a.m, at Saffron CONFERENCE ROOM, Bandaranaike Memorial International Conference Hall, Bauddhaloka Mawatha, Colombo 07, Sri Lanka. Notice of meeting relating to the Thirty Third Annual General Meeting is given on page 101 of this Annual Report.



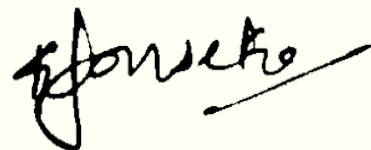
W S L D R Samarasinghe
Chairman



G S M Irugalbandara
Director

For and Behalf of Hunas Holdings PLC

S S P CORPORATE SERVICES (PRIVATE) LIMITED



Secretaries

04th Januray 2023
Colombo

INDEPENDENT AUDITOR'S REPORT



Ernst & Young
Chartered Accountants
201, De Saram Place
P.O Box 101,
Colombo 10
Sri Lanka

Tel : +94 11 2463500
Fax Gen : +94 11 2697369
Tax : +94 11 5578180
eysl@lk.ey.com
ey.com

TO THE SHAREHOLDERS OF THE HUNAS HOLDINGS PLC

Report on the audit of the financial statements

Opinion

We have audited the financial statements of The Hunas Holdings PLC ("the Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group"), which comprise the statement of financial position as at 31 March 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as at 31 March 2022, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matter	How our audit addressed the key audit matter
Accounting for business combination During the financial year ended 31 March 2022, the Company acquired controlling stake of 08 companies for consideration of Rs. 3,829Mn and recognized provisional goodwill of Rs. 340 Mn, in its consolidated financial statements. Land & buildings, biological assets and other assets and liabilities were recognized at provisionally determined fair values amounting to Rs. 1,641Mn, Rs. 1,730Mn and Rs. 275Mn (net) respectively. We have determined this to be a key audit matter due to; • The amounts involved in the transaction being material to the consolidated financial statements • Significant management judgment and estimates involved in ascertaining appropriateness of using acquisition method of accounting for the business combination and determining purchase price allocation to the identifiable assets acquired and liabilities assumed • Management applied acquisition method in accounting the business combination	Our audit procedures included the following: • Checked the documentations pertaining to acquisitions and financial statements of the acquirees to obtain an understanding of the terms and conditions of the transactions, related value and financial positions • Assessed the reasonableness of judgements and estimates used by management when ascertaining appropriateness of acquisition method of accounting for the business combination • Obtained an understanding and assess the reasonableness of management ongoing process relating to the identification and fair value measurement of assets acquired, liabilities assumed and measurement of goodwill • Obtained documents pertaining to the ongoing purchase price allocation process performed by the management up to our reporting date • Assessed the adequacy of the related disclosures in Note 16 to the financial statements

Other information included in the 2022 annual report

Other information consists of the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the management and those charged with governance

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of the Company and the Group.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

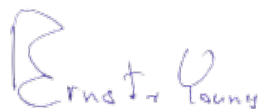
We also provide those charged with governance with a statement that we have complied with ethical requirements in accordance with the Code of Ethics regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company.

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 2440.

A handwritten signature in blue ink, appearing to read "Ernst & Young", is written above a horizontal line.

03rd January 2023
Colombo

STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

Year ended 31 March 2022	Note	Group	Company	
		02 Months period ended 31 March 2022	2022	2021
		Rs.	Rs.	Rs.
Revenue	5	225,748,672	59,525,389	24,704,695
Cost of sales		(190,312,701)	(30,095,753)	(15,909,026)
Gross profit		35,435,972	29,429,636	8,795,669
Other income	6	14,123,686	13,065,343	159,348
Marketing and promotional expenses		(7,622,455)	(3,108,677)	(2,948,132)
Administrative expenses		(115,540,436)	(81,830,518)	(62,030,521)
Finance costs	7	(10,814,025)	(343,240)	(625,027)
Finance income		750,365	1,087,023	150,982
Gain on bargain purchase	16.1	8,995,480	-	-
Share of loss from associates	16.2	(2,127,504)	-	-
Loss before tax	8	(76,798,918)	(41,700,434)	(56,497,681)
Income tax reversal	9	(184,591)	6,302,268	6,996,629
Loss for the year		(76,983,509)	(35,398,166)	(49,501,052)
Other Comprehensive Income not to be reclassified to Profit or Loss in subsequent period :				
Actuarial gain/(loss) on defined benefit plans	25	1,641,188	1,641,188	162,497
Deferred tax impact on actuarial gain/(loss)		(229,766)	(229,766)	(22,750)
		1,411,421	1,411,421	139,747
Net Other Comprehensive Income not to be reclassified to Profit or Loss in subsequent periods		1,411,421	1,411,421	139,747
Other Comprehensive Income for the year, net of tax		1,411,421	1,411,421	139,747
Total Comprehensive loss for the year, net of tax		(75,572,087)	(33,986,745)	(49,361,305)
Basic loss per share	10	(0.09)	(0.04)	(0.06)
Loss attributable to:				
Equity Holders of the owners of the parent		(74,582,309)		
Non-Controlling Interest		(2,401,200)		
		(76,983,509)		
Total Comprehensive Income attributable to:				
Equity Holders of the owners of the parent		(73,170,887)		
Non-Controlling Interest		(2,401,200)		
		(75,572,087)		

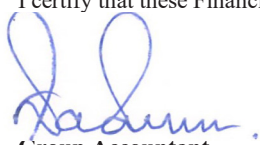
The accounting policies and notes on pages 52 through 95 form an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION

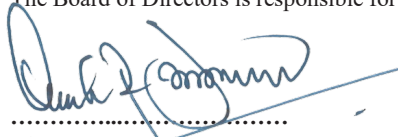
As at 31 March 2022		Group 2022	Company 2022 2021	
	Note	Rs.	Rs.	Rs.
ASSETS				
Non-Current Assets				
Property, plant and equipment	11	4,110,805,500	343,153,841	357,306,864
Right of use assets	12	87,911,974	-	-
Intangible assets	13	401,347,417	-	-
Biological assets	14	1,820,778,641	-	-
Investment Properties	15	2,370,907	-	-
Amounts due from related parties	19	122,823,282	122,823,282	115,946,448
Deferred tax asset	9	10,489,373	-	-
Investment in subsidiaries	16.1	-	3,829,411,000	-
Investment in equity accounted investees	16.2	331,775,496	333,903,000	-
Investment in non-listed equity shares	16.3	90,759,000	90,759,000	-
		6,979,061,589	4,720,050,123	473,253,312
Current Assets				
Inventories	17	102,419,946	5,177,249	3,036,933
Trade and other receivables	18	22,709,983	16,206,356	1,439,004
Amounts due from related parties	19	40,132,809	40,000,000	40,000,000
Advance, deposits and prepayments		13,901,322	1,953,340	1,442,063
Tax recoverable		598,970	311,702	708,075
Current financial assets	20	22,057,299	-	-
Cash and cash equivalents	21	44,184,279	7,300,370	3,371,960
		246,004,607	70,949,016	49,998,036
Total Assets		7,225,066,196	4,790,999,140	523,251,349
EQUITY AND LIABILITIES				
Capital and Reserves				
Stated capital	22	4,336,573,000	4,336,573,000	82,500,000
Reserves	23	95,874,248	95,874,248	95,874,248
Retained earnings		56,495,955	95,680,098	129,666,842
Non controlling interest		146,198,537	-	-
Total Equity		4,635,141,740	4,528,127,346	308,041,090
Non-Current Liabilities				
Interest bearing loans and borrowings	24	860,301,183	103,304,526	115,946,448
Deferred tax liability	9	46,920,754	30,500,527	36,969,401
Employee benefit liability	25	48,058,331	4,896,848	7,484,258
		955,280,267	138,701,900	160,400,107

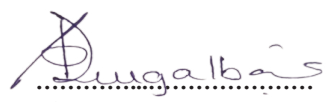
Current Liabilities				
Interest bearing loans and borrowings	24	243,684,072	26,796,119	13,932,961
Trade and other payables	26	123,318,855	36,847,985	11,409,968
Amounts due to related parties	19	1,259,493,774	52,378,302	25,450,279
Contract liabilities	27	8,147,489	8,147,489	4,016,943
		1,634,644,189	124,169,894	54,810,151
Total Equity and Liabilities		7,225,066,197	4,790,999,140	523,251,349

I certify that these Financial Statements are in compliance with the requirements of the Companies Act No. 07 of 2007.


Group Accountant
Sandun Sampath

The Board of Directors is responsible for these financial statements. Signed for and on behalf of the Board by:


Director
Chairman - W.S.L.A.D.R. Samarasinghe


Director
G.S.M Irugalbandara

The accounting policies and notes on pages 52 through 95 form an integral part of the financial statements.

04th January 2023
Kandy

STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2022	Stated Capital	Revaluation Reserve	Retained Earnings	Non controlling interest	Total
GROUP	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 01 April 2021	82,500,000	95,874,248	129,666,842	-	308,041,090
Loss for the year	-	-	(74,582,309)	(2,401,200)	(76,983,509)
Acquisition of subsidiaries	-	-	-	148,599,737	148,599,737
Infusion of share capital	4,254,073,000	-	-	-	4,254,073,000
Actuarial loss on defined benefit obligation- net of tax	-	-	1,411,421	-	1,411,421
Balance as at 31 March 2022	4,336,573,000	95,874,248	56,495,955	146,198,537	4,635,141,740

COMPANY	Stated Capital	Revaluation Reserve	Retained Earnings	Total
	Rs.	Rs.	Rs.	Rs.
Balance as at 01 April 2020	82,500,000	95,874,248	179,028,147	357,402,395
Loss for the year	-	-	(49,501,052)	(49,501,052)
Actuarial loss on defined benefit obligation- net of tax	-	-	139,747	139,747
Balance as at 31 March 2021	82,500,000	95,874,248	129,666,842	308,041,091
Loss for the year	-	-	(35,398,166)	(35,398,166)
Infusion of share capital	4,254,073,000	-	-	4,254,073,000
Actuarial loss on defined benefit obligation- net of tax	-	-	1,411,421	1,411,421
Balance as at 31 March 2022	4,336,573,000	95,874,248	95,680,098	4,528,127,347

The accounting policies and notes on pages 52 through 95 form an integral part of the financial statements.

STATEMENT OF CASH FLOWS

	Note	Group	Company	
		2022	2022	2021
		Rs.	Rs.	Rs.
Cash Flows From Operating Activities				
Loss before tax		(76,798,918)	(41,700,434)	(56,497,681)
Adjustments to reconcile profit before tax to net cash flows:				
Depreciation of property, plant and equipment	11	31,776,274	16,457,727	18,947,755
Depreciation of right of use assets	12	1,205,466	-	-
Depreciation of bearere biological assets	14	11,721,245	-	-
Gain on bargain purchase	16	(8,995,480)	-	-
Finance costs	7	10,814,025	343,240	625,027
Finance income		(750,365)	(1,087,023)	(150,982)
Share of loss from associates	16	2,127,504	-	-
Write off of unrecoverable taxes		-	-	1,466,898
Provision for defined benefit obligation	25	4,109,945	1,218,578	1,378,253
Operating loss before working capital changes		(24,790,305)	(24,767,911)	(34,230,730)
(Increase)/Decrease in Inventories		15,382,445	(2,140,315)	876,832
(Increase) in Trade and other receivables		(15,698,694)	(14,767,352)	5,300,221
Decrease in Amounts due from related parties		149,081,819	3,253,123	-
(Increase) in Advance and prepayments		(865,907)	(511,277)	512,816
Increase in Trade and other payables		17,247,379	29,568,563	(6,813,178)
Increase/(Decrease) in amounts due to related parties		(116,086,465)	26,928,022	25,450,279
Cash from/(used in) operations		24,270,273	17,562,853	(8,903,759)
Interest paid		(10,814,025)	(343,240)	(625,027)
Gratuity paid	25	(2,164,800)	(2,164,800)	(289,952)
Net Cash flows used in Operating Activities		11,291,447	15,054,813	(9,818,738)
Cash flows from/(used in) Investing Activities				
Acquisition of property, plant and equipment	11	(32,608,766)	(2,304,704)	(350,000)
Finance income received		750,365	1,087,023	150,982
Acquisition through business combinations	16	(39,998,222)	-	-
Withdrawal of investments in fixed deposits	20	24,247,914	-	-
Net cash flows from/ (used in) Investing Activities		(47,608,709)	(1,217,681)	(199,018)
Cash flows from/(used in) Financing Activities				
Repayment of lease liabilities	24	(498,537)	-	-
Repayments of interest bearing loans and borrowings	24	(3,386,457)	(3,253,123)	-
Proceeds from interest bearing loans and borrowings	24	23,835,799	-	-
Net cash flows used in financing activities		19,950,805	(3,253,123)	-
Net decrease in Cash and Cash Equivalents		(16,366,457)	10,584,008	(10,017,756)
Cash and cash equivalents at the beginning of the year	21	(10,561,001)	(10,561,001)	(543,244)
Cash and cash equivalents at the end of the year	21	(26,927,458)	23,007	(10,561,001)

The accounting policies and notes on pages 52 through 95 form an integral part of the financial statements.

ACCOUNTING POLICIES

1. CORPORATE INFORMATION

1.1 Reporting Entity

Hunas Holdings PLC (previously known as Hunas Falls Hotels PLC) is a Company incorporated and domiciled in Sri Lanka. The ordinary shares of the Company are listed on the Colombo Stock Exchange of Sri Lanka. The registered office of the Company is located at No 23, Alfred Place, Colombo 03, and the principal place of the business is situated at Elkaduwa, Kandy. During the year the parent entity infused capital through equity in the form of shares which parent entity owns in other companies to the company with the intention of augment the asset position of the company.

1.2 Consolidated Financial Statements

The Financial Statements for the year ended 31 March 2022 comprise “the Company” referring to Hunas Holdings PLC as the holding Company and the “Group” referring to companies that have been consolidated therein together with the group’s Interests in Equity Accounted Investees.

1.3 Principal Activities and Nature of Operations

Descriptions of the nature of operations and principal activities of the Company, its Subsidiaries, associates and investment in equity shares were as follows,

1.3.1 Parent company

Hunas Holdings PLC

The Company owns and operates Hunas Falls Hotels, which is targeted at the up market leisure travellers.

1.3.2 Subsidiaries

Amunumulla Suhada Electricity Generation Company (private) Limited

The principal activity of the company is to carry on the business as consultants, designers, generators, decorators, contractors, builders, promoters, suppliers, merchants, generation transmission and distribution electrical energy. The company has not yet commenced the commercial operations.

Boulder Gardens (Private) Limited

The principal activity of the company is to carry on the business of an investment holding company for hospitality and tourism projects related activities.

Hunas Properties (Private) Limited

The principal activity of the company is to establish and carry on the business of real estate and hotel management. The company has not yet commenced the commercial operations.

Rainforest Hotels (Private) Limited

The principal activity of the company is to carry on the business of an investment holding company for hospitality and tourism projects related activities. The company has not yet commenced the commercial operations.

Rainforest Tea Factory (Private) Limited

The principal activity of the company is carrying on manufacturing and sale of tea and other agricultural produce.

Sustainable Energy Holdings (Private) Limited

The principal activity of the company is to carry on the business of operate a mini hydro power plant to generate and supply of electricity to the national grid. The company has not yet commenced the commercial operations.

Suriyakanda Plantations (Private) Limited

The principal activity of the company is carrying on the cultivation, manufacturing and sale of tea and other agricultural produce.

TAD Cinnamon (Private) Limited

The principal activity of the company is to carry on the business of cultivating, processing, packing and exporting cinnamon and products made out of cinnamon. The company has not yet commenced the commercial operations.

1.3.3 Associates

Eratne Power Company (Private) Limited

The principal activity of the company is to carry on the business of operation of mini hydro power plant, generate and supply of electricity to the national grid.

Weswin Power Galaha (Private) Limited

The principal activity of the company is to carry on the business of power generation and supply it to the Ceylon Electricity Board.

Mercantile Produce Brokers (Private) Limited

The principal activity of the company is providing tea brokering services.

1.3.4 Investment in equity shares

Kuruganga Hydro (Private) Limited

The principal activity of the company is to carry on the business of operate a mini hydro power plant to

generate and supply of electricity to the national grid.

1.4 Parent Enterprise and Ultimate Parent Enterprise

In the opinion of the directors, the Company's immediate parent is Serenity Lake Leisure (Pvt) Ltd, whereas the ultimate parent undertaking and controlling party is TAD Lanka Holdings (Pvt) Ltd. Both companies are incorporated & domiciled in Sri Lanka.

1.5 Director's Responsibility Statement

The responsibility of the Directors in relation to the Financial Statements is set out in the Statement of Directors' Responsibility Report in the Annual Report.

1.6 Date of Authorization for Issue

The Consolidated Financial Statements of Hunas Holdings PLC and its subsidiaries (collectively, the Group) for the year ended 31 March 2022 were authorised for issue by the Directors on 03 January 2023.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

The Financial Statements of the Company and the Group, which comprise the statement of financial position, statement of profit or loss, and other comprehensive income, statement of changes in equity and statement of cash flows together with the accounting policies and notes have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS/LKAS) as issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and in compliance with the Companies Act No. 7 of 2007.

2.2 Basis of Measurement

The Financial Statements have been prepared on a historical cost basis except for lands which are measured at cost at the time of the acquisition and subsequently carried at fair value less accumulated impairment losses recognised after the date of revaluation.

No adjustments have been made for inflationary factors in the Consolidated Financial Statements.

2.3 Going concern

The Directors have made an assessment of the Group's ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable

future. The assessment includes the existing and anticipated effects from the current economic crisis, the circumstances of the external environment, and the consequences of the COVID-19 pandemic on significant assumptions that are sensitive or susceptible to change, or are inconsistent with historical trends. As the economic effects continue to evolve, the management has considered a range of scenarios to determine the potential impact on the underlying performance and future funding requirements. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the Financial Statements continue to be prepared on the going concern basis.

2.4 Functional and Presentation Currency

The Financial Statements are presented in Sri Lanka Rupees (Rs), which is the Company's functional and presentation currency. All values are rounded to the nearest rupee except when otherwise indicated.

2.5 Materiality and Aggregation

Each material class of similar items is presented separately in the Consolidated Financial Statements. Items of a dissimilar nature or function are presented separately unless they are immaterial.

2.6 Comparative information

Comparative information including quantitative, narrative and descriptive information as relevant is disclosed in respect of previous period in the Financial Statements. The presentation and classification of the Financial Statement of the previous year are amended, where relevant for better presentation and to be comparable with those of the current year.

Company has acquired the controlling stake of subsidiary companies on 31 January 2022 and therefore, current year is the first year of consolidated financial statements.

2.7 Offsetting

Assets and liabilities or income and expenses, are not offset unless required or permitted by Sri Lanka Accounting Standards.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of Consolidation

The Consolidated Financial Statements encompass the Company, its subsidiaries (together referred to as the “Group”) and the Group’s interest in equity accounted investees (Associates). Subsidiaries and equity accounted investees are disclosed in Note 16 to the Financial Statements.

3.1.1 Subsidiaries

Subsidiaries are those entities controlled by the Group. Control is achieved when the Group is exposed, or rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has the power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group’s voting rights and potential voting right

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary. Profit or Loss and each component of Other Comprehensive Income are attributed to equity holders of the parent of the Group and to the non-controlling interests, even if

this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the Financial Statements of subsidiaries to bring their accounting policies in line with the Group’s accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

The subsidiaries and their controlling percentages of the Group, which have been consolidated, are as follows:

Company Name	2022	2021
Amunumulla Suhada Electricity Generation Company (private) Limited	100%	-
Boulder Gardens (Private) Limited	90%	-
Hunas Properties (Private) Limited	100%	-
Rainforest hotels (Private) Limited	100%	-
Rainforest Tea Factory (Private) Limited	90%	-
Sustainable Energy Holdings (Private) limited	100%	-
Suriyakanda Plantations (Private) limited	100%	-
TAD Cinnamon (Private) Limited	100%	-

3.1.2 Acquisition of Subsidiaries

The assets and liabilities as at the acquisition date are stated at their provisional fair values and may be amended in accordance with SLFRS 3 - Business Combination.

Investment subsidiaries are carried at cost less impairments (if any) in the separate financial statements.

3.1.3 Equity accounted investees

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

Investments in its associates are accounted at cost in the Company financial statements.

The Group's investments in its associates are accounted for using the equity method.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit or loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate,

The Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associates are shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associates.

The financial statements of the associates are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associates. At each reporting date, the Group determines whether there is objective evidence that the investment in the associates is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associates and its

carrying value, and then recognises the loss as 'Share of profit of an associates' in the statement of profit or loss.

Upon loss of significant influence over the associates, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associates upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Associates of the Group/Company are;

Company Name	2022	2021
Eratne Power Company (Private) Limited	30%	-
Mercantile Produce Brokers (Private) Limited	20%	-
Weswin Power Galaha (Private) Limited	20%	-

3.2 Business Combination and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether to measures the non- controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not re-measured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an

asset or liability that is a financial instrument and within the scope of SLFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the Statement of Profit or Loss in accordance with SLFRS 9. Other contingent consideration that is not within the scope of SLFRS9 is measured at fair value at each reporting date with changes in fair value recognised in the Statement of Profit or Loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests) and any previous interest held over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in the Statement of Profit or Loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed of in this circumstance is measured based on the relative values of the disposed operation and the portion of the cash generating unit retained.

The profit or loss and net assets of a subsidiary attributable to equity interests that are not owned by the parent, directly or indirectly through subsidiaries, is disclosed separately under the heading "Non-controlling Interest" in note 16.1 to the financial statements.

3.3 Foreign Currency

3.3.1 Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in Statement of Profit or Loss. Tax charges and credit attributable to exchange differences on those monetary items are also recognised in Other Comprehensive Income.

Non-monetary assets and liabilities which are measured in terms of historical cost in a foreign currency are translated using exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on the change in fair value of the item (i.e., translation differences on items of which fair value gain or loss is recognised in OCI or Profit or Loss are also recognised in OCI or Profit or Loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

3.4 Current versus non-current classification

The Group presents assets and liabilities in the Statement of Financial Position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in a normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in a normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the

reporting period, or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3.5 Property, Plant and Equipment

The group applies the requirements of LKAS 16 on 'Property Plant and Equipment' in accounting for its owned assets which are held for and use in the provision of the services or for administration purpose and are expected to be used for more than one year.

3.5.1 Basis of recognition

Property, plant and equipment is recognised if it is probable that future economic benefit associated with the assets will flow to the Group and cost of the asset can be reliably measured.

3.5.2 Basis of measurement

Items of property, plant & equipment including construction in progress are measured at cost net of accumulated depreciation and accumulated impairment losses, if any, except for land measured at fair value less accumulated impairment losses recognised after the date of revaluation.

3.5.3 Owned assets

The cost of property, plant & equipment includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and includes the costs of dismantling and removing the items and restoring the site on which they are located, and borrowing costs on qualifying assets. Purchased software that is integral to the functionality of the related equipment is capitalised as a part of that equipment.

When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives.

Revaluation of land is done with sufficient frequency to ensure that the fair value of the land does not differ materially from its carrying amount, and is undertaken by professionally qualified valuers.

Any revaluation surplus is recorded in Other Comprehensive

Income and credited to the asset revaluation reserve in equity, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the Statement of Profit or Loss, in which case, the increase is recognised in the Statement of Profit or Loss. A revaluation deficit is recognised in the Statement of Profit or Loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

3.5.4 Subsequent costs

The cost of replacing a component of an item of property, plant & equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised in accordance with the derecognition policy given below.

The costs of the repair and maintenance of property, plant & equipment are recognised in the Statement of Profit or Loss as incurred.

3.5.6 Derecognition

The carrying amount of an item of property, plant & equipment is derecognised on disposal; or when no future economic benefits are expected from its use. Any gains and losses on derecognition are recognised (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) in the Statement of Profit or Loss. Gains are not classified as revenue. When revalued assets are sold, any related amount included in the Revaluation Reserve is transferred to Retained Earnings.

3.5.7 Depreciation

Depreciation is recognised in the Statement of Profit or Loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant & equipment, in reflecting the expected pattern of consumption of the future economic benefits embodied in the asset.

Asset category	Years
Buildings and building integrals (Note 3.5.7.1)	5 to 45 Years
Plant and equipment	5 to 20 Years
Kitchen, hotel, sport and laundry equipment	4 to 18 Years

Water Supply and Sanitation	7 years
Field and Factory Equipment	8 Years
Kitchen, hotel, sport and laundry equipment	5 Years
Electrical equipment	10 to 18 Years
Office equipment	10 to 14 Years
Computer equipment & software	04 to 09 Years
Furniture and fittings	04 to 19 Years
Swimming pool	10 Years
Satellite TV system	02 to 10 Years
Sewerage treatment plant	10 to 20 Years
Motor vehicles	05 Years
Kitchen utensils	04 Years
Cutlery and crockery	02 Years
Road network	20 Years

3.5.7.1 Component included in building & building integrals

	Years
Buildings	45 years
Asbestos and aluminium roof	05 years
Bathrooms & toilet blocks	05 years

3.6 Right of use assets and lease liabilities

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

3.6.1 Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

3.6.2 Basis of recognition

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use

assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Properties – 27 Years

Motor vehicles – 5 Years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

3.6.3 Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amount expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in Interest bearing loans and borrowings.

3.6.4 Short-term leases and leases of low-value assets

The Group applied the 'short-term lease' and 'lease of low-value assets' recognition exemptions during the year for any lease contracts.

3.7 Intangible Assets

Basis of recognition of an intangible asset is recognised if it is probable that future economic benefit associated with the assets will flow to the Group and cost of the asset can be reliably measured.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is fair value as at the date of acquisition. Following the initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the income statement in the year in which the expenditure is incurred.

The useful life of intangible asset is assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end.

The useful life of intangible asset is as follows:

Software	05 years
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Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement in the expense category consistent with the function/nature of the intangible asset. Amortisation was commenced when the assets were available for use.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually either individually or at the cash generating unit level. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from

indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognized.

3.8 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, the investment properties are stated at fair values, which reflect market conditions at the reporting date.

Gains or losses arising from changes in fair values of investment properties are included in the Statement of Profit or Loss in the year in which they arise, including the corresponding tax effect. Fair values are evaluated annually by an accredited external, independent valuer.

Investment properties are derecognised either when they have been disposed of, or when they are permanently withdrawn from use and no future economic benefits are expected from their disposal. The difference between the net disposal proceeds and the carrying amounts of the asset is recognised in Statement of Profit or Loss in the period of derecognition.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner occupied property the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

3.9 Biological assets

Biological assets are classified as either mature biological assets or immature biological assets. Mature biological assets are those that have attained harvestable specifications or are able to sustain regular harvests. Immature biological assets are those that have not yet attained harvestable specifications. Tea and other plantations are classified as biological assets.

Biological assets are further classified as bearer biological assets and consumable biological assets. Bearer biological assets include tea and other plantations, being biological assets that are not intended to be sold or harvested, but are used to grow for purpose of harvesting agricultural produce from such biological assets. Consumable biological assets include managed timber trees those that are to be harvested as agricultural produce or sold as biological assets.

3.9.1 Bearer biological assets

Bearer biological assets are measured at cost less accumulated depreciation and accumulated impairment losses, if any, in terms of LKAS 16 – Property Plant & Equipment.

The cost of land preparation, rehabilitation, new planting, replanting, crop diversification, interplanting and fertilising, etc., incurred between the time of planting and harvesting (when the planted area attains maturity), are classified as immature plantations. These immature plantations are shown at direct costs plus attributable overheads. The expenditure incurred on bearer biological assets which comes into bearing during the year, is transferred to mature plantations.

3.9.2 Consumable biological asset

Consumable biological assets include managed timber trees those that are to be harvested as agricultural produce or sold as biological assets. Expenditure incurred on consumable biological assets (managed timber trees) is measured on initial recognition and at the end of each reporting period at its fair value less cost to sell in terms of LKAS 41. The cost is treated as approximation to fair value of young plants as the impact on biological transformation of such plants to price during this period is immaterial.

The gain or loss arising on initial recognition of consumable biological assets at fair value less cost to sell and from a change in fair value less cost to sell of consumable biological assets are included in Statement of Profit or Loss for the period in which it arises.

Permanent impairments to biological asset are charged to the Statement of Profit or Loss in full and reduced to the net carrying amounts of such asset in the year of occurrence after ascertaining the loss.

3.10 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

3.10.1 Financial assets

3.10.1.1 Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under SLFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

3.10.1.2 Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories;

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (**debt instruments**) This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on

specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade receivables, and loan to an employees included under other non-current financial assets.

3.10.1.3 Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under LKAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its non-listed equity investments under this category.

3.10.1.4 Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e: removed from the Group's consolidated financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through

arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

3.10.1.5 Impairment of financial assets

Further disclosures relating to impairment of financial assets are also provided in the following notes:

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivable the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. For this purpose, the Company has established a provision matrix that is based on its historical credit loss experience, adjusted, if any; for forward-looking factors specific to each debtor and the economic characteristics. Company is making a 100% provision for all the debtors aged more than 180 days.

A financial asset is written off when there is no reasonable

expectation of recovering the contractual cash flows.

3.10.2 Financial liabilities

3.10.2.1 Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, bank overdrafts, loans and borrowings.

3.10.2.2 Subsequent measurement

The measurement of financial liabilities depends on their classification as described below:

3.10.2.3 Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of Profit or Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the Statement of Profit or Loss.

3.10.2.4 Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement.

3.10.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if There is a currently enforceable legal right to offset the recognised amounts

and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.10.4 Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include:

- Using recent arm's length market transactions
- Reference to the current fair value of another instrument that is substantially the same
- A discounted cash flow analysis or other valuation models.

3.11 Inventories

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

Raw materials: Purchase cost on a weighted average basis.

Finished goods and work in progress: Cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

3.12 Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time

value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognized in the statement of profit or loss.

Goodwill is tested for impairment annually as at 31 March and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

3.13 Cash and Cash Equivalents

Cash and cash equivalents are defined as cash in hand, demand deposits and short term highly liquid investments, readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

For the purpose of the statement cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above net of outstanding bank overdrafts as they are

considered an integral part of the Group's cash management.

3.14 Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate assets but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

3.15 Employee Benefits

3.15.1 Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to Provident and Trust Funds covering all employees are recognised as an employee benefit expense in Statement of Profit or Loss in the periods during which services are rendered by employees

The Company contributes 12% and 3% of gross emoluments to employees as Provident Fund and Trust Fund contribution respectively

3.15.2 Defined Benefit Plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The defined benefit is calculated by independent actuaries using Projected Unit Credit (PUC) method as recommended by LKAS 19 – "Employee benefits". The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related liability.

Current service cost interest cost are recognized in the statement of profit or loss while any actuarial gains or losses arising are recognized in other comprehensive income.

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Key assumptions used in determining the defined retirement benefit obligations

are given in note 25. Any changes in these assumptions will impact the carrying amount of defined benefit obligations.

Provision has been made for retirement gratuities from the beginning of service for all employees, in conformity with LKAS 19 on employee benefit. However, under the Payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of 5 years of continued service.

The liability is not externally funded.

3.16 Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods and services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods and services.

The specific recognition criteria described below must also be met before revenue is recognised.

3.16.1 Room, food and beverage revenue

Room revenue is recognized on the rooms occupied on a daily basis and food and beverage and other hotel related sales are accounted for at the point of sales.

3.16.2 Interest income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the statement of profit or loss.

3.16.3 Gains and losses

Gains and losses on disposal of an item of property, plant & equipment are determined by comparing the net sales proceeds with the carrying amounts of property, plant & equipment and are recognized net within "other income" in profit or loss.

3.16.4 Others

Other income is recognised on an accrual basis.

3.17 Expenses

Expenses are recognized in the Statement of Profit or

Loss on the basis of a direct association between the cost incurred and the earnings of specific items of income. All expenditure incurred in the running of the business has been charged to income in arriving at the profit for the year.

Repairs and renewals are charged to Statement of Profit or Loss in the year in which the expenditure is incurred.

3.17.1 Finance costs

Finance costs comprise interest expense on borrowings and exchange loss on foreign currency transactions which have been recognized in the Statement of Profit or Loss when arriving at the profit for the year.

3.18 Tax expense

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in the Statement of Profit or Loss except to the extent that it relates to a business combination, or items recognised directly in Equity or in Other Comprehensive Income.

3.18.1 Current tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current tax relating to items recognised directly in Other Comprehensive Income is recognised in Other Comprehensive Income and not in the Statement of Profit or Loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

3.18.2 Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except:

When the deferred tax liability or asset arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

In respect of deductible temporary differences associated

with investments in subsidiaries, equity accounted investee and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

In respect of deductible temporary differences associated with investments in subsidiaries, equity accounted investee and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the Statement of Profit or Loss is recognised outside the Statement of Profit or Loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or in the Statement of Profit or Loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to

income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered. Tax on dividend income from subsidiaries is recognised as an expense in the Consolidated Statement of Profit or Loss at the same time as the liability to pay the related dividend is recognised.

3.18.3 Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except where the sales tax incurred on a purchase of assets or service is not recoverable from the taxation authorities in which case the sales tax is recognised as a part of the cost of the asset or part of the expense items as applicable and receivables and payables are stated with the amount of sales tax included. The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

4 General

4.1 Events Occurring After the Reporting Date

All material post reporting date events have been considered and where appropriate adjustments or disclosures have been made in the respective notes to the Financial Statements.

4.2 Earnings Per Share

The Group presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

4.3 Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Chairman and the Board to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Chairman include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

4.4 Standards Issued but not yet Effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Management has assessed that the application of these standards and amendments do not have material impact on the financial statements of the Company and Group.

4.4.1 Amendments to LKAS 37 Provisions, Contingent Liabilities and Contingent Assets:

Onerous Contracts – Costs of Fulfilling a Contract

On 25 March 2021, the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) issued amendments to LKAS 37 Provisions, Contingent Liabilities and Contingent Assets (LKAS 37) to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022. Earlier application is permitted.

4.4.2 Amendments to LKAS 16 Property, Plant & Equipment: Proceeds before Intended Use

On 25 March 2021, the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) issued LKAS 16 Property, Plant and Equipment – Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods

beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

4.4.3 Amendments to SLFRS 3 Business Combinations: Updating a reference to conceptual framework

On 23 March 2021, the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) issued amendments to SLFRS 3 Business Combinations - Updating a Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Company will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

An exception was also added to the recognition principle of SLFRS 3 to avoid the issue of potential ‘day 2’ gains or losses arising for liabilities and contingent liabilities that would be within the scope of LKAS 37 or IFRIC 21 Levies, if incurred separately.

At the same time, it was decided to clarify existing guidance in SLFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively.

4.5 Significant Accounting Estimates and Judgements

The preparation of Financial Statements in conformity with SLFRS/LKAS's requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Judgements and estimates are based on historical experience and other factors, including expectations that are believed to be reasonable under the circumstances. Hence actual experience and results may differ from these judgements and estimates.

Estimates and underlying assumptions are reviewed on

an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period and any future periods. Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes.

4.5.1 Provision for expected credit losses of trade receivables

The Gropu uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

4.5.2 Revaluation of Land

The Group measures lands which are recognised as property, plant & equipment at revalued amount with change in value being recognised in the Statement of Other comprehensive income. The valuer has used valuation techniques such as open market value. Further details on Revaluation of land are disclosed in Note 11.2 to the Financial Statements.

4.5.3 Fair valuation of consumable biological assets

The fair value of managed timber depends on number of factors that are determined on a discounted method using various financial and nonfinancial assumptions. The growth of the trees is determined by various biological factors that are highly unpredictable. Any change to the assumptions will impact to the fair value of biological assets.

4.5.4 Bearer biological assets

A mature plantation is an area of land developed with crops such as tea and other crops which has been brought into bearing ready for commercial harvesting. Hence, transfer of immature plantations to mature plantation fields happens at the point of commencement of commercial harvesting which depends on growth of plants, weather patterns and soil condition. Therefore, immature to mature transfer require significant management judgment in determining the point at which a plant is deemed ready for commercial harvesting.

4.5.5 Measurement of the Defined Benefit Obligations

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Key assumptions used in determining the defined retirement benefit obligations are given in Note 25. Any changes in these assumptions will impact the carrying amount of defined benefit obligations.

4.5.6 Taxes

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

4.6 Fair Value Measurement

The Group measures lands at fair value. Fair value related disclosures for financial and non-financial assets that are measured at fair value are summarized in the following notes:

- Lands under revaluation model - Note 11.2

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either;

- In the principal market for the asset or liability
- Or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest

and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Financial Statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements at a fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's Management determines the policies and procedures for recurring fair value measurement, such as land.

External valuers are involved for valuation of Lands. Involvement of external valuers is decided upon annually by the Management after discussion with and approval by the Group's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

The Management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

NOTES TO THE FINANCIAL STATEMENTS

		Group	Company
Year ended 31 March 2022		02 Months period ended 31 March 2022	2022 2021
		Rs.	Rs.
5	REVENUE		
	Revenue from contracts with customers (Note 5.1)	227,087,051	60,863,768
	Tourism development levy	(614,273)	(614,273)
	Turnover tax	(724,106)	(724,106)
		225,748,672	59,525,389
			24,704,695
5.1	Revenue from contracts with customers		
	Over time/period of stay		
	Room Revenue	35,488,192	33,743,481
			9,320,217
	At a point of time		
	Food and beverage income	27,407,749	27,120,287
	Tea sales income	164,191,111	-
	Total revenue	227,087,051	60,863,768
			24,993,623

Contract liabilities and its movement is disclosed in Note 27 to the financial statements.

		Group	Company
		02 Months period ended 31 March 2022	2022 2021
		Rs.	Rs.
6	OTHER INCOME		
	Other hotel related income	627,343	627,343
	Rent income	418,587	-
	Dividends	12,438,000	12,438,000
	Other income	639,755	-
		14,123,686	13,065,343
			159,348

		Group	Company
		02 Months period ended 31 March 2022	2022 2021
		Rs.	Rs.
7	FINANCE COST		
	Interest expense on bank overdrafts	2,806,837	343,240
	Interest expense on leases	534,041	-
	Interest expense on borrowings	7,455,161	-
	Credit card commission	17,986	-
		10,814,025	343,240
			625,027

NOTES TO THE FINANCIAL STATEMENTS(CONTD....)

Year ended 31 March 2022

8	LOSS BEFORE TAX	Group	Company	
		2022	2022	2021
	Stated after charging	Rs.	Rs.	Rs.
	Included in Cost of sales			
	Employee benefits			
	- Defined Contribution Plan costs - EPF & ETF	3,373,753	1,221,676	918,502
	- Defined Benefit Plan costs - Gratuity	629,000	629,000	729,060
	Included in Administrative expenses			
	Employee benefits			
	- Defined Benefit Plan costs - Gratuity	3,108,012	589,579	649,194
	- Defined Contribution Plan costs - EPF & ETF	2,632,986	1,918,629	1,698,646
	Depreciation	31,776,274	16,457,727	18,947,755
	Management fees	9,650,000	7,150,000	4,500,000
	Audit and professional fees	3,765,021	2,675,000	475,000
	Included in Marketing and Promotional expenses			
	Marketing and sales promotions	1,823,577	1,803,879	2,205,763
9	INCOME TAX EXPENSE	Group	Company	
		2022	2022	2021
	Statement of Profit & Loss	Rs.	Rs.	Rs.
	Current Income Tax			
	Current income tax charge (Note 9.1)	-	-	-
	Adjustments in respect of current income tax of previous year	-	-	15,487
	Written off of Economic Service Charge	396,373	396,373	-
		396,373	396,373	15,487
	Deferred Tax			
	Relating to origination and reversal of temporary differences (Note 9.2/3)	(211,782)	(6,698,641)	(7,012,116)
	Income Tax Expense reported in the statement of profit or loss	184,591	(6,302,268)	(6,996,629)
	Other Comprehensive Income			
	Deferred Tax related to items recognised in OCI during in year;			
	On actuarial gains and losses	229,766	229,766	22,750
	Deferred tax charged to OCI	229,766	229,766	22,750
	Total income tax expense reported in Statement of Profit or Loss and Other Comprehensive Income	414,357	(6,072,502)	(6,973,879)

NOTES TO THE FINANCIAL STATEMENTS(CONTD....)

9.1 A reconciliation of tax expense and the accounting profit multiplied by the statutory tax rate is as follows :

	Group 2022 Rs.	Company 2022 Rs.	2021 Rs.
Accounting loss before income tax expense	(76,798,918)	(41,700,434)	(56,497,681)
Accounting loss before acquisition through business combinations	(178,544,642)	-	-
Share of loss of equity accounted investees	2,127,504	-	-
Intra-group adjustments	43,798,535	-	-
Non deductible expenses for income tax purposes	66,627,651	18,092,678	25,421,830
Deductible expenses for income tax purposes	(82,502,201)	(9,439,897)	(8,042,301)
Other income categories	(2,398,707)	(1,087,024)	(150,982)
Business income	(227,690,778)	(34,134,677)	(39,269,134)
Tax losses utilized			
Tax losses brought forward	59,281,469	59,281,469	21,407,638
Acquisition through business combinations	535,703,903	-	-
Adjustments to tax loss	2,051	2,051	(1,395,303)
Loss incurred during the year	220,847,511	34,134,677	39,269,134
Tax losses carried forward	815,834,935	93,418,197	59,281,469

9.2 Deferred tax assets and liabilities relates to the followings - Group

	2022	
	Temporary difference	Deferred tax
Deferred tax liability		
Property, plant and equipment	398,810,661	62,814,658
Biological assets	100,720,708	30,216,212
	499,531,369	93,030,871
Deferred tax assets		
Employee benefit liability	(48,058,331)	(11,149,213)
Right of Use assets	(1,494,605)	(358,705)
Carried forward tax losses	(106,252,570)	(14,875,360)
	(155,805,505)	(26,383,278)
	343,725,863	66,647,593

Deferred Tax (Assets) / Liabilities	2022 Rs.
Balance as at 01 April	36,969,401
Acquisition through business combinations	(556,004)
Adjusted through goodwill	30,216,212
Deferred tax charge/ (reversal) - Statement of Profit or Loss	(211,782)
Deferred tax charge/ (reversal) - Statement of Other Comprehensive Income	229,766
Balance as at 31 March	66,647,593
Included in :	
Deferred tax asset	(10,489,373)
Adjusted through goodwill	30,216,212
Deferred tax liability	46,932,754

NOTES TO THE FINANCIAL STATEMENTS(CONTD....)

9.3 Deferred tax assets and liabilities relates to the followings - Company

	2022		2021	
	Temporary difference	Deferred tax	Temporary difference	Deferred tax
Deferred tax liability				
Property, plant and equipment	329,010,322	46,061,445	330,832,879	46,316,603
	329,010,322	46,061,445	330,832,879	46,316,603
Deferred tax assets				
Employee benefit liability	(4,896,848)	(685,559)	(7,484,256)	(1,047,796)
Carried forward tax losses	(106,252,570)	(14,875,360)	(59,281,469)	(8,299,406)
	(111,149,417)	(15,560,918)	(66,765,725)	(9,347,202)
	217,860,904	30,500,527	264,067,154	36,969,402
Deferred Tax (Assets) / Liabilities			2022	2021
			Rs.	Rs.
Balance as at 01 April			36,969,401	43,958,768
Deferred tax charge/ (reversal) - Statement of Profit or Loss			(6,698,641)	(7,012,116)
Deferred tax charge/ (reversal) - Statement of Other Comprehensive Income			229,766	22,750
Balance as at 31 March			30,500,527	36,969,401

10 BASIC LOSS PER SHARE

10.1 Basic Loss Per Share is calculated by dividing the net loss for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year. The weighted average number of ordinary shares outstanding during the year and previous year are adjusted for events that have changed the number of ordinary shares outstanding, without a corresponding change in the resources such as a bonus issue.

10.2 The following reflects the income and share data used in the Basic Earnings/(Loss) Per Share computation.

	Group	Company	
	2022	2022	2021
	Rs.	Rs.	Rs.
Amount Used as the Numerator:			
Loss attributable to Ordinary Shareholders for Basic Loss Per Share	(74,582,309)	(35,398,166)	(49,501,052)
	2022	2022	2021
	Number	Number	Number
Number of Ordinary Shares Used as Denominator:			
Weighted Average number of Ordinary Shares in issue	843,750,000	843,750,000	843,750,000
Loss Per Share	(0.09)	(0.04)	(0.06)

NOTES TO THE FINANCIAL STATEMENTS(CONTD....)

11 PROPERTY, PLANT AND EQUIPMENT - GROUP

Gross carrying amounts	Balance as at 01.04.2021	Acquisition through business combinations	Additions	Balance as at 31.03.2022
	Rs.	Rs.	Rs.	Rs.
At cost/valuation				
Lands	114,525,000	863,782,240	-	978,307,240
Buildings and building integrals	290,651,823	1,207,334,348	-	1,497,986,171
Plant and equipment	31,705,481	460,520,266	941,256	493,167,003
Water Supply and Sanitation	-	2,013,722	-	2,013,722
Field and Factory Equipment	-	2,799,760	-	2,799,760
Kitchen, hotel, sport and laundry equipment	16,417,852	2,818,941	633,451	19,870,243
Electrical equipment	3,777,073	3,806,265	3,070,339	10,653,677
Office equipment	1,025,319	4,705,286	39,899	5,770,504
Computer equipment & software	16,900,163	1,241,369	-	18,141,532
Furniture and fittings	31,705,464	6,738,034	1,664,980	40,108,478
Swimming pool	17,352,176	-	-	17,352,176
Satellite TV system	3,445,799	-	-	3,445,799
Sewerage treatment plant	4,572,485	-	-	4,572,485
Motor vehicles	4,082,314	52,475,000	11,500,000	68,057,314
Mechanical Equipment	-	-	1,170,000	1,170,000
Linen	7,472,416	1,591,300	-	9,063,716
Kitchen utensils	967,593	-	138,356	1,105,949
Cutlery and crockery	2,832,287	414,145	169,413	3,415,845
Road network	6,301,003	-	-	6,301,003
Total value of depreciable assets	553,734,248	2,610,240,674	19,327,693	3,183,302,616
Construction in progress				
Buildings	-	1,256,684,180	24,781,073	1,281,465,253
	-	1,256,684,180	24,781,073	1,281,465,253
Total	553,734,248	3,866,924,854	44,108,766	4,464,767,869

NOTES TO THE FINANCIAL STATEMENTS(CONTD....)

Depreciation	Balance as at 01.04.2021	Acquisition through business combinations	Charge for the year	Balance as at 31.03.2022
	Rs.	Rs.	Rs.	Rs.
At cost/valuation				
Buildings and building integrals	86,901,477	20,152,625	12,329,380	119,383,483
Plant and equipment	21,626,445	69,184,180	7,572,549	98,383,175
Water Supply and Sanitation	-	2,000,505	-	2,000,505
Field and Factory Equipment	-	2,319,122	-	2,319,122
Kitchen, hotel, sport and laundry equipment	10,880,496	1,278,651	1,577,903	13,737,050
Electrical equipment	2,458,649	1,343,782	-	3,802,430
Office equipment	765,067	1,428,172	347,779	2,541,018
Computer equipment & software	15,625,619	749,306	836,828	17,211,753
Furniture and fittings	23,377,234	3,021,925	2,914,509	29,313,668
Swimming pool	14,521,810	-	735,218	15,257,028
Satellite TV system	2,374,057	-	304,277	2,678,334
Sewerage treatment plant	2,395,043	-	262,590	2,657,632
Motor vehicles	2,582,316	10,775,000	14,336,875	27,694,191
Mechanical Equipment	-	-	1,170,000	1,170,000
Linen	7,472,416	1,591,300	-	9,063,716
Kitchen utensils	943,311	-	25,276	968,587
Cutlery and crockery	2,310,641	414,145	548,040	3,272,826
Road network	2,192,804	-	315,050	2,507,854
Total depreciation	196,427,386	114,258,712	43,276,274	353,962,371

NOTES TO THE FINANCIAL STATEMENTS(Contd....)

11	PROPERTY, PLANT AND EQUIPMENT - GROUP - (Contd.../-)	2022
	Net book values	Rs.
	At cost/valuation	
	Freehold land	978,307,240
	Buildings and building integrals	1,378,602,688
	Plant and equipment	394,783,829
	Water Supply and Sanitation	13,217
	Field and Factory Equipment	480,638
	Kitchen, hotel, sport and laundry equipment	6,133,193
	Electrical equipment	6,851,246
	Office equipment	3,229,486
	Computer equipment & software	929,779
	Furniture and fittings	10,794,810
	Swimming pool	2,095,149
	Satellite TV system	767,465
	Sewerage treatment plant	1,914,853
	Motor vehicles	40,363,123
	Kitchen utensils	137,362
	Cutlery and crockery	143,019
	Road network	3,793,149
	Total carrying amount of property, plant and equipment	2,829,340,246
	Construction in progress	
	Buildings	1,281,465,253
		1,281,465,253
	Total carrying amount of property, plant and equipment	4,110,805,500

11.1 During the financial year, the Company acquired Property, plant and equipment to the aggregate value of Rs. 32,608,766/-, whereas full consideration was settled in cash during the same period.

11.2 The fair value of freehold land comprising approx 46 Acres, was determined by means of a revaluation for the financial year 2018/2019 by Messrs. P.B Kalugalagedara & Associates, Chartered Valuation Surveyor & Estate Agents, an independent valuer in reference to market based evidence. The valuer has made reference to market evidence of transacted prices for similar size and location. Management has determine that the carrying value of the assets approximate the fair value as at 31 March 2022.

Information on freehold land and buildings

Location	Ownership	Extent	Cost	Significant unobservable inputs	Sensitivity of fair value to unobservable inputs
Elkaduwa	Freehold	19 Acres 3 Roods 21 Perches	2,899,316	Price per perch Rs. 8750/- to Rs. 25,000	Positively correlated
Elkaduwa	Freehold	27 Acres 0 Roods 15 Perches	144,000		
Total Cost of the Revalued Lands			3,043,316		

Fair value measurement hierarchy for assets as at 31 March 2022:

	Date of valuation	Total Rs. '000	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2) Rs. '000	Significant unobservable inputs (Level 3) Rs. '000
Assets measured at fair value:					
As at 31 March 2022					
Non Financial Assets					
Land	31 March 2019	114,525,000	-	-	114,525,000
Non Financial assets as at 31 March 2022		114,525,000	-	-	114,525,000
As at 31 March 2021					
Non Financial Assets					
Land	31 March 2019	114,525,000	-	-	114,525,000
Non Financial assets as at 31 March 2021		114,525,000	-	-	114,525,000

NOTES TO THE FINANCIAL STATEMENTS(Contd....)

11 PROPERTY, PLANT AND EQUIPMENT - COMPANY - (Contd.../-)			
Gross carrying amounts	Balance as at 01.04.2021	Additions	Balance as at 31.03.2022
	Rs.	Rs.	Rs.
At cost/valuation			
Freehold land	114,525,000	-	114,525,000
Buildings and building integrals	290,651,823	-	290,651,823
Plant and equipment	31,705,481	292,056	31,997,537
Kitchen, hotel, sport and laundry equipment	16,417,852	-	16,417,852
Electrical equipment	3,777,073	-	3,777,073
Office equipment	1,025,319	39,899	1,065,218
Computer equipment & software	16,900,163	-	16,900,163
Furniture and fittings	31,705,464	1,664,980	33,370,444
Swimming pool	17,352,176	-	17,352,176
Satellite TV system	3,445,799	-	3,445,799
Sewerage treatment plant	4,572,485	-	4,572,485
Motor vehicles	4,082,314	-	4,082,314
Linen	7,472,416	-	7,472,416
Kitchen utensils	967,593	138,356	1,105,949
Cutlery and crockery	2,832,287	169,413	3,001,700
Road network	6,301,003	-	6,301,003
Total value of depreciable assets	553,734,249	2,304,704	556,038,952

Depreciation	Balance As at 01.04.2021	Charge for the year	Balance As at 31.03.2022
	Rs.	Rs.	Rs.
At cost/valuation			
Buildings and building integrals	86,901,477	5,744,901	92,646,378
Plant and equipment	21,626,445	2,864,996	24,491,441
Kitchen, hotel, sport and laundry equipment	10,880,496	1,499,971	12,380,467
Electrical equipment	2,458,649	436,513	2,895,161
Office equipment	765,067	91,298	856,365
Computer equipment & software	15,625,619	818,918	16,444,537
Furniture and fittings	23,377,234	2,810,681	26,187,916
Swimming pool	14,521,810	735,218	15,257,028
Satellite TV system	2,374,057	304,277	2,678,334
Sewerage treatment plant	2,395,043	262,590	2,657,632
Motor vehicles	2,582,316	-	2,582,316
Linen	7,472,416	-	7,472,416
Kitchen utensils	943,311	25,276	968,587
Cutlery and crockery	2,310,641	548,040	2,858,682
Road network	2,192,804	315,050	2,507,853
Total depreciation	196,427,386	16,457,727	212,885,113

NOTES TO THE FINANCIAL STATEMENTS(Contd....)

11	PROPERTY, PLANT AND EQUIPMENT - COMPANY - (Contd.../-)	2022	2021
	Net book values	Rs.	Rs.
	At cost/valuation		
	Freehold land	114,525,000	114,525,000
	Buildings and building integrals	198,075,445	203,750,346
	Plant and equipment	7,506,096	10,079,036
	Kitchen, hotel, sport and laundry equipment	4,037,385	5,537,356
	Electrical equipment	881,911	1,318,424
	Office equipment	208,853	260,252
	Computer equipment & software	455,626	1,274,544
	Furniture and fittings	7,112,528	8,328,230
	Swimming pool	2,095,149	2,830,367
	Satellite TV system	767,465	1,071,742
	Sewerage treatment plant	1,914,853	2,177,443
	Motor vehicles	1,499,998	1,499,998
	Kitchen utensils	137,362	24,282
	Cutlery and crockery	143,018	521,645
	Road network	3,793,150	4,108,199
	Total carrying amount of property, plant and equipment	343,153,841	357,306,864

During the financial year, the Company acquired Property, plant and equipment to the aggregate value of Rs. 2,304,704/- (2021 - Rs.350,000/-), whereas full consideration was settled in cash during the same period.

NOTES TO THE FINANCIAL STATEMENTS(CONTD....)

12	RIGHT OF USE ASSETS	Group	Company	
		2022	2022	2021
		Rs.	Rs.	Rs.
	Cost			
	Balance as at 01 of April	-	-	-
	Acquisition through business combinations	110,802,504	-	-
	Transferred to Property, Plant and Equipment	(11,500,000)	-	-
	Balance as at 31 March	99,302,504	-	-
	Depreciation			
	Balance as at 01 of April	-	-	-
	Acquisition through business combinations	21,685,064	-	-
	Charge for the year	1,205,466	-	-
	Transferred to Property, Plant and Equipment	(11,500,000)	-	-
	Balance as at 31 March	11,390,530	-	-
	Net book value	87,911,974	-	-

The Group has lease contracts with Hapugasthanna Plantations PLC and AMW Capital Leasing and Finance PLC for leased lands and motor vehicles.

12.1	Nature of the property	Company	Lessor	Lease Term	Annual rental
					Rs.
	Land	Suriyakanda Plantations (Private) Limited	Hapugasthanna Plantations PLC	2020 - 2046	2,000,000
	Motor vehicles	Suriyakanda Plantations (Private) Limited	AMW Capital Leasing and Finance	2021 - 2026	153,142

12.2 Set out below are the carrying amounts of right-of-use assets recognized and the movements during the year:

	Lands	Motor Vehicles	Total
	Rs.	Rs.	Rs.
As at 01 April 2021			
Acquisition through business combinations	82,153,692	6,963,748	89,117,440
Depreciation expenses	(566,577)	(638,889)	(1,205,466)
As at 31 March 2022	81,587,115	6,324,859	87,911,974

12.3	The following are the amounts recognized in profit or loss in respect of ROU Assets:	2022	2021
		Rs.	Rs.
	Depreciation expense of right-of-use assets	1,205,466	-
	Interest expense on lease liabilities	534,041	-
	Total amount recognized in profit or loss	1,739,507	-

The Group had total cash outflows for leases of Rs. 1,032,578/- during the period. The future cash outflows relating to leases that have not yet commenced are disclosed in Note 24.1.2.

ROU Assets are depreciated on straight line basis over the remaining lease period of the assets.

NOTES TO THE FINANCIAL STATEMENTS(Contd....)

13	INTANGIBLE ASSETS - GROUP	Goodwill	Software	License	2022	2021
		Rs.	Rs.	Rs.	Rs.	Rs.
	Cost					
	Balance as at 01 of April	-	-	-	-	-
	Acquisition through business combinations	340,380,817	1,611,000	60,000,000	401,991,817	-
	Balance as at 31 March	340,380,817	1,611,000	60,000,000	401,991,817	-
	Amortization					
	Balance as at 01 of April	-	-	-	-	-
	Acquisition through business combinations	-	644,400	-	644,400	-
	Balance as at 31 March	-	644,400	-	644,400	-
	Net book value	340,380,817	966,600	60,000,000	401,347,417	-

13.1	Goodwill	2022
	The aggregate carrying amount of goodwill allocated to each unit is as follows;	Rs.
	Suriyakanda Plantations (Private) Limited	32,809,331
	Boulder Gardens (Private) Limited	4,547,329
	Hunas Properties (Private) Limited	1,214,651
	Rainforest hotels (Private) Limited	141,450,507
	Rainforest Tea Factory (Private) Limited	148,206,529
	Amunumulla Suhada Electricity Generation Company (private) Limited	12,152,470
		340,380,817

The Group recognized a provisional goodwill on acquisition through business combinations as disclosed in note 16.1.1.

		Group	Company	
14	BIOLOGICAL ASSETS	2022	2022	2021
14.1	Bearer Biological Assets	Rs.	Rs.	Rs.
	Balance as at 01 of April	-	-	-
	Acquisition through business combinations	1,400,801,032	-	-
	Amortization	(11,721,245)	-	-
	Balance as at 31 March	1,389,079,787	-	-

14.2 Consumable Biological Assets

	Balance as at 01 of April	-	-	-
	Acquisition through business combinations	431,698,853	-	-
	Balance as at 31 March	431,698,853	-	-
	Total biological assets	1,820,778,641	-	-

Consumable biological assets are at provisional fair values measured on acquisition through business combinations on 31 January 2022 and may be amended in accordance with SLFRs 03.

15	INVESTMENT PROPERTIES	Group	Company	
		2022	2022	2021
		Rs.	Rs.	Rs.
	Balance as at 01 of April	-	-	-
	Acquisition through business combinations	2,370,907	-	-
	Balance as at 31 March	2,370,907	-	-
	Rental income			
	Rental income derived from investment properties	418,587	-	-
		418,587	-	-

The property is the estate superintendent's bungalow of Suriyakanda Plantations (Private) Limited which has been converted to a holiday villa and hire for leisure operations.

NOTES TO THE FINANCIAL STATEMENTS (CONTD....)

16	INVESTMENTS	Holding	Amount
16.1	Investment in Subsidiaries	%	Rs.
		2022	2022
	Non-quoted		
	Amunumulla Suhada Electricity Generation Company (private) Limited	100%	35,000,000
	Boulder Gardens (Private) Limited	90%	766,244,000
	Hunas Properties (Private) Limited	100%	162,500,000
	Rainforest Hotels (Private) Limited	90%	135,000,000
	Rainforest Tea Factory (Private) Limited	90%	730,358,000
	Sustainable Energy Holdings (Private) limited	100%	322,108,000
	Suriyakanda Plantations (Private) Limited	100%	1,678,201,000
			3,829,411,000

Investment in subsidiaries is initially recognised at cost in the financial statements of the Company. Any transaction cost relating to acquisition of investment in subsidiaries is immediately recognised in the income statement. After the initial recognition, Investments in subsidiaries are carried at cost less any accumulated impairment losses.

16.1.1 Acquisitions of subsidiaries

On 31 January 2022, the Company acquired 100% of the equity interest of Suriyakanda Plantations (Private) Limited, Hunas Properties (Private) Limited, Amunumulla Suhada Electricity Generation Company (private) Limited, Sustainable Energy Holdings (Private) Limited and 90% of the equity interest of Rainforest Tea Factory (Private) Limited, Boulder Gardens (Private) Limited and Rainforest Hotels (Private) Limited. The parent company of Hunas Holdings PLC infused capital through equity in the form of shares which parent company owns in other companies to the company with the intention of augment the asset position of the company.

The assets and liabilities as at the acquisition date are stated at their provisional fair values and may be amended. In accordance with SLFRS 3, the final allocation of purchase price will be finalised within a period of twelve months following the acquisition date.

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities as at the date of acquisition were:

NOTES TO THE FINANCIAL STATEMENTS (CONTD....)

16	INVESTMENTS - (Contd.../-)	Fair value recognised on acquisition Rs.
	Assets	
	Property, plant and equipment	3,763,358,632
	Intangible assets	60,966,600
	Right of Use Assets	82,153,692
	Bearer Biological Assets	1,400,801,032
	Consumable Biological Assets	431,698,853
	Investment Property	2,592,812
	Other non current assets	29,680,369
	Inventories	117,689,173
	Trade and other receivables	5,572,283
	Other current assets	188,165,448
	Cash and cash equivalents	10,953,670
	Liabilities	
	Interest bearing loans and borrowings	(886,846,308)
	Other non current liabilities	(12,085,378)
	Retirement Benefit Obligations	(40,270,116)
	Trade and other payables	(86,772,197)
	Other current liabilities	(1,368,927,009)
	Bank Overdraft	(52,105,158)
	Net identifiable assets and liabilities	3,646,626,400
		Fair value recognised on acquisition Rs.
	Non-controlling interest measured at fair value	148,599,737
	Goodwill arising on acquisition	340,380,817
	Gain on bargain purchase	(8,995,480)
	Purchase consideration transferred	3,829,412,000
	Analysis of cash flows on acquisition:	
	Net cash acquired with the subsidiary (included in cash flows from investing activities)	(39,998,222)
	Net cash flows on acquisition	(39,998,222)

NOTES TO THE FINANCIAL STATEMENTS(Contd....)

Sustainable Energy Holdings (Private) Limited

Commercial operations of Sustainable Energy Holdings (Private) Limited has not been commenced yet and therefore, consideration was less than the fair value of the assets and liabilities acquired. Hence, Group has accounted a gain on bargain purchase from the acquisition of equity interest of Sustainable Energy Holdings (Private) Limited of Rs. 8,995,480/-.

From the date of acquisition, subsidiaries contributed Rs. 166 million of revenue and Rs. 42 million to loss before tax from continuing operations of the Group. If the combinations had taken place at the beginning of the financial year, revenue from continuing operations would have been Rs. 685 million and loss before tax from continuing operations for the Group would have been Rs. 150 million.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree.

For each business combination, the Group measures the non-controlling interest in the acquired companies at fair value.

The goodwill of Rs. 310,164,604/- comprises the value of expected synergies arising from the acquisition.

16.2 Investment in equity accounted investees	Holding %	Amount (Rs.)
	2022	2022
Weswin Power Galaha (Private) Limited	20%	15,810,000
Mercantile Produce Brokers (Private) Limited	20%	281,087,000
Eratne Power Company (Private) Limited	30%	37,006,000
		333,903,000

16.2.1 Summarised financial information of equity accounted investees which has not been adjusted for the Group's share:

	Weswin Power Galaha (Private) Limited	Mercantile Produce Brokers (Private) Limited	Eratne Power Company (Private) Limited
	Rs.	Rs.	Rs.
Current Assets	36,128,495	4,513,479,747	49,368,886
Non-current Assets	52,625,484	957,330,075	205,788,862
Current Liabilities	(22,579,754)	(979,205,757)	(41,570,180)
Non-current Liabilities	(17,317,089)	(3,632,891,581)	(24,973,070)
Equity	48,857,136	858,712,484	188,614,498
Group's share in equity – 20%, 20% and 30%	(3,908,559)	12,660,810	(10,879,756)
Revenue from contracts with customers	(33,377,670)	68,413,404	1,251,539
Profit after tax	(5,352,796)	(7,194,115)	(4,265,852)
Total comprehensive income	-	70,498,167	-
	(5,352,796)	63,304,052	(4,265,852)
Group's share of profit for the year	(1,070,559)	12,660,810	(1,279,756)
Dividends	(2,838,000)	-	(9,600,000)

The Company has neither contingent liabilities nor capital commitments in respect of its equity accounted investees

16.3 Investment in non- listed equity shares	Holding %	Amount (Rs.)
	2022	2022
Kuruganga Hydro (Private) Limited	19%	90,759,000
		90,759,000

The value are at fair value measured at the acquired date. There were no gains or losses recognised in profit or loss or in OCI.

NOTES TO THE FINANCIAL STATEMENTS(CONTD....)

17 INVENTORIES	Group	Company	
	2022	2022	2021
	Rs.	Rs.	Rs.
Food and beverages	3,443,269	3,443,269	1,992,300
Growing crop nursery	2,834,622	-	-
Produced inventories	29,637,491	-	-
General inventories	8,504,641	1,733,979	1,044,633
Processed tea	57,691,570	-	-
Firewoods	248,856	-	-
Packing materials	59,497	-	-
	102,419,946	5,177,249	3,036,933

18 TRADE AND OTHER RECEIVABLES	Group	Company	
	2022	2022	2021
	Rs.	Rs.	Rs.
Trade Receivable - Related parties (Note 18.1)	-	-	36,000
- Others	8,282,360	3,398,578	1,025,590
	8,282,360	3,398,578	1,061,590
Deposits	369,778	369,778	369,778
Other receivables	14,042,845	12,438,000	7,636
Staff loans	15,000	-	-
	22,709,983	16,206,356	1,439,004

	Total	Neither Past due nor impaired	31-60 days	Past due but not impaired		
Group				61-90 days	91-120 days	120 < days
2022	8,282,360	1,529,199	616,342	191,886	525,893	5,419,040
	Total	Neither Past due nor impaired	31-60 days	Past due but not impaired		
Company				61-90 days	91-120 days	120 < days
2022	3,398,578	1,978,351	318,404	100,000	350,419	651,403
2021	1,061,590	767,950	80,500	28,328	-	184,812

Trade and other receivables are non-interest bearing and are generally on terms of 30 days.

Trade and other receivables are non interest bearing and are generally on terms of 30 days.			2022	2021
18.1	Trade Receivable - Related Parties		Rs.	Rs.
		Relationship		
	TAD Lanka Investments (Private) Limited	Affiliate Company	-	36,000
			-	36,000

19 RELATED PARTY TRANSACTIONS	Group	Company	
19.1 Amounts due from related parties- Current	2022	2022	2021
	Rs.	Rs.	Rs.
Relationship			
Serenity Lake Leisure (Private) Limited	Parent	40,000,000	40,000,000
Mercantile Leisure (Private) Limited	Affiliate Company	132,809	-
		40,132,809	40,000,000
Amounts due from related parties - Non Current			
Relationship			
Serenity Lake Leisure (Private) Limited	Parent	122,823,282	115,946,448
		122,823,282	115,946,448

NOTES TO THE FINANCIAL STATEMENTS(Contd....)

		Group	Company		
		2022	2022	2021	
		Rs.	Rs.	Rs.	
19.2	Amounts due to related parties				
		Relationship			
	TAD Lanka Holdings (Private) Limited	Ultimate parent	875,119,600	46,556,630	23,528,607
	Pinksalt (Private) Limited	Affiliate Company	5,821,672	5,821,672	1,921,672
	TAD Lanka Power (Private) Limited	Affiliate Company	16,970	-	-
	Mercantile Produce Brockers (Private) Limited	Affiliate Company	354,796,707	-	-
	TAD Lanka Plantations (Private) Limited	Affiliate Company	5,929,456	-	-
	TAD Lanka Investments (Private) Limited	Affiliate Company	16,200,369	-	-
	Ms. Sujivie Irugalbandara	Director	1,609,000	-	-
			1,259,493,774	52,378,302	25,450,279

		Group	Company	
		2022	2022	2021
		Rs.	Rs.	Rs.
20	CURRENT FINANCIAL ASSETS			
	Investments in fixed deposits	22,057,299	-	-
		22,057,299	-	-
21	CASH AND CASH EQUIVALENTS			
	Components of cash and Cash equivalents			
21.1	Favourable Cash & Cash Equivalents			
	Cash at bank and in hand	44,184,279	7,300,370	3,371,960
		44,184,279	7,300,370	3,371,960
21.2	Unfavourable Cash & Cash Equivalents			
	Cash at bank	(71,111,737)	(7,277,363)	(13,932,961)
	Total Cash and cash equivalents for the purpose of Statement of Cash Flows	(26,927,458)	23,007	(10,561,001)

22		2022		2021	
STATED CAPITAL		Number	Rs.	Number	Rs.
22.1	Fully paid Ordinary Shares	5,625,000	82,500,000	5,625,000	82,500,000
	Infusion of share capital	-	4,254,073,000	-	-
	Split of shares	838,125,000	-	-	-
		843,750,000	4,336,573,000	5,625,000	82,500,000

23		Group	Company	
		2022	2022	2021
		Rs.	Rs.	Rs.
23.1	Revaluation Reserve			
	On Freehold Land			
	As at 01 April	95,874,248	95,874,248	95,874,248
	As at 31 March	95,874,248	95,874,248	95,874,248

23.2 The above revaluation surplus consists of net surplus resulting from the revaluation of Freehold Land as described in Note 11.2.

NOTES TO THE FINANCIAL STATEMENTS(CONTD....)

24	INTEREST BEARING LOANS AND BORROWINGS			2022
24.1	GROUP			Rs.
	Current interest bearing loans and borrowings			
	Bank Loans	(Note 24.1.1)		166,807,305
	Lease Liabilities	(Note 24.1.2)		5,765,030
	Bank Overdrafts			71,111,737
				243,684,072
	Non current interest bearing loans and borrowings			
	Bank Loans	(Note 24.1.1)		784,549,382
	Lease Liabilities	(Note 24.1.2)		75,751,801
				860,301,183
				1,103,985,255
24.1.1	Bank Loans			
	Balance as at 01 April			115,946,448
	Acquisition through business combinations			808,084,064
	Loan obtained/ Interest capitalized			30,712,633
	Repayments			(3,386,457)
	Balance as at 31 March			951,356,687
	Current			166,807,305
	Non-Current			784,549,382
				951,356,687
24.1.2	Lease Liabilities	Motor vehicle	land	2022
		Rs.	Rs.	Rs.
	Balance as at 01 April			
	Acquisition through business combinations	6,220,117	75,795,251	82,015,368
	Capital Payments	(498,537)	-	(498,537)
	Balance as at 31 March	5,721,580	75,795,251	81,516,831
	Lease Payments			
	Gross Payments	1,032,578	-	1,032,578
	Interest expense recognized as finance expense	(534,041)	-	(534,041)
	Capital Payments	498,537	-	498,537
	Current	1,235,009	4,530,021	5,765,030
	Non-Current	4,486,571	71,265,230	75,751,801
		5,721,580	75,795,251	81,516,831
24.1.3	Maturity analysis	Current - within 1 year	Non-Current - between 1 and 5 years	Non-Current - more than 5 years
		Rs.	Rs.	Rs.
	Gross lease liability	9,093,919	51,734,708	493,537,416
	Interest in suspense	3,328,889	27,015,000	442,505,323
	Net lease liability	5,765,030	24,719,707	51,032,094
	Bank financing	166,807,305	784,549,382	-
	Bank overdrafts	71,111,737	-	-
		256,106,880	888,018,797	987,074,833

NOTES TO THE FINANCIAL STATEMENTS(Contd....)

24.2 COMPANY	2022	2021
	Rs.	Rs.
Current interest bearing loans and borrowings		
Bank Overdrafts	7,277,363	13,932,961
Bank Loans (Note 24.2.1)	19,518,756	-
	26,796,119	13,932,961
Non current interest bearing loans and borrowings		
Bank Loans (Note 24.2.1)	103,304,526	115,946,448
	103,304,526	115,946,448
	130,100,645	129,879,409
24.2.1 Bank Loans		
Balance as at 01 April	115,946,448	101,122,994
Loan obtained/ Interest capitalized	10,129,957	14,823,454
Repayments	(3,253,123)	-
Balance as at 31 March	122,823,282	115,946,448
Current	19,518,756	-
Non-Current	103,304,526	115,946,448
	122,823,282	115,946,448

24.3 Terms and Conditions of the Loans

Company	Lending Institution	2022 Rs.	Interest rate	Repayment terms	Security
Hunas Holdings PLC	Merchant Bank of Sri Lanka & Finance PLC	122,823,282	14.5% per annum	Repayment in 18 months with 06 months grace period	Land and Buildings of Hunas Holdings PLC
Rainforest Tea Factory (Private) Limited	Commercial Leasing & Finance PLC	4,202,469	20% per annum	Repayment in 60 Equal monthly installments	Absolute ownership of the mortgage vehicle No - PX - 7316, LL - 0960
	DFCC Bank PLC	1,111,108	4% per annum	Repayment in 18 months after grace period of 06 months from the date of first disbursement	Corporate guarantee from Mercantile produce brokers (Pvt) Ltd
	Sampath Bank PLC	106,676,000	AWPLR+3% per annum	Repayment in 60 Equal monthly installments	Land and Buildings of Rainforest Tea Factory (Private) Limited
	Sampath Bank PLC - Moratorium loans	101,645,642	5.8% per annum	Repayment in 24 Equal monthly installments	Land and Buildings of Rainforest Tea Factory (Private) Limited
Sustainable Energy Holdings (Private) Limited		614,564,856	AWPLR+2.5% per annum	Repayment in 113 months inclusive grace period of 30 months from the date of first disbursement	Land and Buildings of Sustainable Energy Holdings (Private) Limited including including plant, machinery and other equipment

As per the agreement entered in to with TAD Lanka Holdings (Pvt) Ltd. (Ultimate Parent entity of Hunas Holdings PLC), the loan proceeds obtained by Hunas Holdings PLC has been directly received by cash to Serenity Lake Leisure (Pvt) Ltd and has been utilized by the same party for overall working capital management of the Group. Accordingly, all the

NOTES TO THE FINANCIAL STATEMENTS(CONTD....)

25	EMPLOYEE BENEFIT LIABILITY	Group	Company	
		2022	2022	2021
25.1	Defined Benefit Obligation	Rs.	Rs.	Rs.
	Changes in the present value of the defined benefit obligation are as follows:			
	Balance as at 1 April	7,484,258	7,484,258	6,558,454
	Acquisition through business combinations	40,270,116	-	-
	Current service cost	3,511,204	619,837	655,845
	Interest cost	598,740	598,740	722,408
	Actuarial (gain)/ loss	(1,641,188)	(1,641,188)	(162,497)
	Benefit paid	(2,164,800)	(2,164,800)	(289,952)
	Balance as at 31 March	48,058,331	4,896,848	7,484,258
	The expenses are recognized in the following line items in the statement of profit and loss and other comprehensive income			
	Cost of Sales	629,000	629,000	729,060
	Administrative Expenses	3,480,945	589,579	649,194
	Other Comprehensive Income	(1,641,188)	(1,641,188)	(162,497)
		2,468,757	(422,609)	1,215,757
25.2	Mssrs. Acturial & Management Consultants (Pvt) Ltd, an independent actuaries, carried out an actuarial valuation of the defined benefit plan gratuity on March 31, 2022. Appropriate and compatible assumptions were used in determining the cost of retirement benefits. The principal assumptions used are as follows:			
25.3	Principal actuarial assumptions			
	The principal financial assumptions underlying the above valuation are as follows;			
		Group	Company	
		2022	2022	2021
	Discount rate	14% - 15% p.a	14% p.a	10% p.a
	Salary increment rate	12% p.a	12% p.a	10% p.a
	Average remaining working life (Years)	9.5 - 3	3	3
25.4	Sensitivity of the principal assumptions used	Expected Future Salaries		Discount Rate
		1% increase	1% decrease	1% increase
		Rs.	Rs.	Rs.
	Group			
	Change in Present Value of Defined Benefit Obligation	2,936,073	(2,679,979)	(2,398,348)
	Company			
	Change in Present Value of Defined Benefit Obligation	164,765	(157,963)	(135,318)
25.5	Maturity analysis of the payments	Group	Company	
		2022	2022	2021
		Rs.	Rs.	Rs.
	Within the next 12 months	11,096,781	1,294,060	1,241,524
	Between 1 to 5 years	15,620,688	3,128,761	4,810,394
	Between 5 to 10 years	21,340,861	474,025	1,432,340
		48,058,331	4,896,847	7,484,258

NOTES TO THE FINANCIAL STATEMENTS(Contd....)

26	TRADE AND OTHER PAYABLES	Group	Company	
		2022	2022	2021
		Rs.	Rs.	Rs.
	Trade payables	71,659,829	24,974,864	1,903,887
	Other payables	21,343,858	500,717	298,424
	Unclaimed dividends	253,749	253,749	-
	Sundry creditors including accrued expenses	30,061,419	11,118,655	9,207,657
		123,318,855	36,847,985	11,409,968
27	CONTRACT LIABILITIES			
	Reservation advances (Note 27.1)	8,147,489	8,147,489	4,016,943
27.1	Reservation advances			
	Opening balance		4,016,943	1,423,394
	Advance received during the year		32,113,300	18,105,387
	Refunds due to cancellation of bookings		(26,868,760)	(2,782,885)
	Setoff against the receivables		(1,113,994)	(12,728,953)
	Closing balance		8,147,489	4,016,943

28 COMMITMENTS AND CONTINGENCIES

28.1 Capital Expenditure Commitments

Future capital expenditure approved by the Board but, not provided for in the Financial Statements amounting to Rs. Nil (2021 - Rs.Nil).

28.2 Contingent Liabilities

There are no significant contingencies as at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS(CONTD....)

29 ASSETS PLEDGED

The following assets have been pledged as securities as at reporting date.

Company	Nature of assets pledged	Nature of liability	Carrying amount pledged (Rs.)	Included under
Hunas Holdings PLC	Land and buildings	Refer Note 24.3	312,600,445	Property, plant & equipment
Rainforest Tea Factory (Private) Limited	Land and buildings	Refer Note 24.3	740,541,338	Property, plant & equipment
Sustainable Energy Holdings (Private) Limited	Land and buildings including including plant, machinery and other equipment	Refer Note 24.3	1,298,179,138	Property, plant & equipment

30 EVENTS OCCURRING AFTER THE REPORTING DATE

All material post reporting date events have been considered and where appropriate adjustments or disclosures have been made in the respective notes to the Financial Statements.

31 RELATED PARTY DISCLOSURES

Details of significant related party disclosures are as follows:

31.1 Transactions with Key Management Personnel of the Company and Parent

The key management personnel of the Company are the members of its Board of Directors and that of its parent.

a) Key Management Personnel Compensation		2022	2022	2021
		Rs.	Rs.	Rs.
Director emoluments		-	-	-
- Group	Ultimate parent	Parent company	Affiliate companies	Total
	2022	2022	2022	2022
	Rs.	Rs.	Rs.	Rs.
As at 01 April	(23,528,607)	155,946,448	(1,921,672)	130,496,169
Acquisition through business combinations	(984,187,993)	-	(228,527,084)	(1,212,715,077)
Loan Capitalize & interest Payable	-	6,876,834	-	6,876,834
Net fund transfers	132,597,000	-	(152,183,609)	(19,586,608)
As at 31 March	(875,119,600)	162,823,282	(382,632,365)	(1,094,928,682)
Included in:				
Amounts due from related parties - non current	-	122,823,282	-	122,823,282
Amounts due from related parties - current	-	40,000,000	132,809	40,132,809
Amounts due to related parties	(875,119,600)	-	(382,765,174)	(1,257,884,774)
	(875,119,600)	162,823,282	(382,632,365)	(1,094,928,682)

NOTES TO THE FINANCIAL STATEMENTS(Contd....)

31 RELATED PARTY DISCLOSURES

31.2 Other Related Party disclosures

Transactions with ultimate parent, Parent and other related companies are as follows;

- Company	Ultimate parent company		Parent company		Affiliate companies		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
As at 01 April	(23,528,607)	-	155,946,448	141,122,994	(1,921,672)	-	130,496,169	141,122,994
Loan Capitalize & interest Payable	-	-	6,876,834	14,823,454	-	-	6,876,834	14,823,454
Net fund transfers	(23,028,022)	(23,528,607)	-	-	(3,900,000)	(1,921,672)	(26,928,022)	(25,450,279)
As at 31 March	(46,556,630)	(23,528,607)	162,823,282	155,946,448	(5,821,672)	(1,921,672)	110,444,981	130,496,169
Included in:								
Amounts due from related parties - non current	-	-	122,823,282	115,946,448	-	-	122,823,282	115,946,448
Amounts due from related parties - current	-	-	40,000,000	40,000,000	-	-	40,000,000	40,000,000
Amounts due to related parties	(46,556,630)	(23,528,607)	-	-	(5,821,672)	(1,921,672)	(52,378,302)	(25,450,279)
	(46,556,630)	(23,528,607)	162,823,282	155,946,448	(5,821,672)	(1,921,672)	110,444,981	130,496,169

During the year the Serenity Lake Leisure (Private) Limited (parent company) infused capital through equity in the form of shares which parent company owns in other companies to the value of Rs. 4,254,073,000/- to the company with the intention of augment the asset position of the company.

No other material transactions have taken place during the year with the parties/entities in which Key Management Personnel or their Close Family Members have control, joint control or significant influence, which require to disclosure in these Financial Statements other than those disclosed above.

Ultimate parent company: TAD Lanka Holdings (Pvt) Ltd

Parent company: Serenity Lake Leisure (Pvt) Ltd

Affiliate companies: Mercantile Leisure (Private) Limited, Pinksalt (Private) Limited, TAD Lanka Power (Private) Limited, Mercantile Produce Brokers (Private) Limited, TAD Lanka Plantations (Private) Limited and TAD Lanka Investments (Private) Limited

NOTES TO THE FINANCIAL STATEMENTS(CONTD....)

32 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprise of trade and other payables, bank overdrafts and borrowings. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group has trade and other receivables and cash and cash equivalents as financial assets that arrive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk.

The Group's senior management oversees the management of these risks. The Group's senior management is supported by the senior management of the parent entity that advises on financial risks and the appropriate financial risk governance framework for the Group who provides assurance to the Group's senior management that the Group's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Group's policies and risk appetite.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below.

32.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

Market prices mainly comprise four types of risk: interest rate risk, currency risk, commodity price risk and other price risk, such as equity price risk. Financial instruments affected by market risk include bank overdrafts.

The sensitivity analyses in the following sections relate to the position as at 31 March 2022 and 2021.

32.1.1 Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risk is minimal as the Group's external borrowings are limited to bank overdrafts and borrowings

Interest rate sensitivity:

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Change basis points	Effect on loss before tax Group	Company
2022	+/- 200	11,877,303	366,912
2021	+/- 200	-	350,281

32.1.2 Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities.

Foreign currency sensitivity:

The following table demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The Group's exposure to foreign currency changes for all other currencies is not material.

	Change in USD rate	Effect on loss before tax Group	Company
2022	+/- 5%	3,849,175	1,769,908
2021	+/- 5%	-	2,751,539

NOTES TO THE FINANCIAL STATEMENTS(CONTD....)

32.2 Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk mainly from its operating activities (primarily for trade

Credit risk exposure:

The maximum risk positions of financial assets which are generally subject to credit risk are equal to their carrying amounts. Following table shows the maximum risk positions of the Group.

	Group	Company	
	2022	2022	2021
	Rs.	Rs.	Rs.
Trade and other receivables	22,709,983	16,206,356	1,439,006
Amounts due from related parties	40,132,809	40,000,000	40,000,000
Cash and bank balances	44,184,279	7,300,370	3,371,960
	107,027,071	63,506,726	44,810,966

Trade Receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and controls relating to customer credit risk management. Credit quality of the customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date using a provision matrix (simplified approach) to measure expected credit losses. The Group has received all the dues within agreed credit period in the past without any delays. The management also considered the local and global economic indicators and the results of negotiations and subsequent cash receipts in determining the provision for impairment.

Amounts due from/to related parties

The Group's amounts due from/to related parties mainly consist of the balances from affiliate companies and parent.

Cash and cash equivalents

In order to mitigate settlement and operational risks related to cash and cash equivalents, the Group uses several banks with acceptable ratings. The Group does not hold any short term deposits in banks.

32.3 Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and profitability through the use equity funds and borrowings. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is sufficiently available and debt maturing within 12 months can be rolled over with existing lenders.

NOTES TO THE FINANCIAL STATEMENTS(Contd....)

32 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES - (Contd.../-)

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

Group	On demand	Less than 3 months	3 to 12 months	After one year	Total
Year ended 31 March 2022	Rs.	Rs.	Rs.	Rs.	Rs.
Long term loans	-	-	166,807,305	784,549,382	951,356,687
Lease liabilities	-	-	5,765,030	75,751,801	-
Trade and other payables	-	71,659,829	51,659,026	-	123,318,855
Bank overdraft	71,111,737	-	-	-	71,111,737
	71,111,737	71,659,829	224,231,361	860,301,183	1,145,787,279
Company	On demand	Less than 3 months	3 to 12 months	After one year	Total
Year ended 31 March 2022	Rs.	Rs.	Rs.	Rs.	Rs.
Long term loans	-	-	-	122,823,282	122,823,282
Trade and other payables	-	24,974,864	11,873,120	-	36,847,985
Bank overdraft	19,518,756	-	-	-	19,518,756
	19,518,756	24,974,864	11,873,120	122,823,282	179,190,023
Year ended 31 March 2021	On demand	Less than 3 months	3 to 12 months	After one year	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
Long term loans	-	-	-	115,946,448	115,946,448
Trade and other payables	-	1,903,887	9,506,081	-	11,409,968
Bank overdraft	13,932,961	-	-	-	13,932,961
	13,932,961	1,903,887	9,506,081	115,946,448	141,289,377

Capital Management

Capital includes equity attributable to the equity holders.

The primary objective of the Group capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2022.

The Group monitors capital using a gearing ratio, which is net debt divided by total equity plus net debt. The Group's policy is to keep the gearing ratio at a minimum level. Net debt comprised of interest bearing loans and borrowings, trade and other payables less cash and cash equivalents.

NOTES TO THE FINANCIAL STATEMENTS(Contd....)

		Group	Company	
		2022	2022	2021
		Rs.	Rs.	Rs.
Interest bearing loans and borrowings	(Note 24)	1,022,468,424	142,342,038	129,879,409
Trade and other payables	(Note 26)	123,318,855	36,847,985	11,409,968
Less: Cash and cash equivalents	(Note 21)	(44,184,279)	(7,300,370)	(3,371,960)
Net debt		1,101,603,000	171,889,652	137,917,417
Equity		4,635,141,740	4,528,127,346	308,041,090
Total capital		4,635,141,740	4,528,127,346	308,041,090
Capital and net debt		5,736,744,740	4,700,016,998	445,958,507
Gearing ratio		19%	4%	31%

NOTES TO THE FINANCIAL STATEMENTS(CONTD....)

33 SEGMENT INFORMATION

	Mini hydro power	Plantation	Real estate	Leisure	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
Property, plant and equipment	1,298,179,138	1,210,942,057	253,800,000	1,347,884,305	4,110,805,500
Intangible assets	60,000,000	966,600	-	-	60,966,600
Right of Use Assets	-	87,911,974	-	-	87,911,974
Biological Assets	-	1,850,994,853	-	-	1,850,994,853
Investment Property	-	2,370,907	-	-	2,370,907
Investment in Associates	-	-	-	-	331,775,496
Other non current assets	-	10,489,373	-	122,823,282	133,312,655
Investment in non-listed equity shares	-	-	-	-	90,759,000
Goodwill	-	-	-	-	310,164,604
Total non-current assets					6,979,061,589
Inventories	-	97,069,635	-	5,350,311	102,419,947
Advances & Deposits	695,264	6,287,634	200	6,918,224	13,901,322
Trade and other receivables	-	5,122,286	-	17,587,697	22,709,983
Other current assets	-	13,134,115	-	49,654,961	62,789,076
Cash and cash equivalents	24,375,284	11,676,135	71,250	8,061,610	44,184,279
Total current assets					246,004,607
Deferred Tax	7,922	13,602,738	-	33,310,093	46,920,754
Interest bearing loans and borrowings	614,564,856	142,431,801	-	103,304,526	860,301,183
Retirement Benefit Obligations	-	43,161,483	-	4,896,848	48,058,331
Total non-current liabilities					955,280,267
Trade and other payables	12,665,416	71,795,861	140,000	38,717,578	123,318,855
Other current liabilities	402,181,414	529,572,097	92,496,101	243,391,650	1,267,641,262
Interest bearing Loans and Borrowings	197,551	216,175,051	-	27,311,470	243,684,072
Total current liabilities					1,634,644,189
Total segment assets	1,383,249,686	3,296,965,570	253,871,450	1,558,280,390	
Total segment liabilities	1,029,617,159	1,016,739,031	92,636,101	450,932,165	

Inter company investments made by the Group of companies have not been considered for the calculation of segment assets.

Inter segment receivable and payable balances are eliminated on consolidation.

	Mini hydro power	Plantation	Real estate	Leisure	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
Revenue	-	164,191,111	-	61,557,561	225,748,672
Cost of sales	-	(159,521,763)	-	(30,790,937)	(190,312,701)
Other Income	-	818,773	-	13,304,913	14,123,686
Advertising and Marketing Expenses	-	(4,494,074)	-	(3,128,380)	(7,622,455)
Administrative Expenses	(364,992)	(28,113,780)	(50,000)	(87,011,664)	(115,540,436)
Finance Cost	(11,087)	(10,427,834)	-	(375,104)	(10,814,025)
Finance Income	-	(336,758)	-	1,087,121	750,365
Gain on bargain purchase	-	-	-	-	8,995,480
Share of profit of associations	-	-	-	-	(2,127,504)
Loss before Tax	(376,079)	(37,884,326)	(50,000)	(45,356,490)	(76,798,917)
Income tax (expense)/reversal	57,598	(4,718,994)	-	4,476,807	(184,589)
Loss for the Year	(318,481)	(42,603,320)	(50,000)	(40,879,684)	(76,983,509)

Inter-segment revenues are eliminated on consolidation

STATEMENT OF VALUE ADDED

	2022 Rs.	2021 Rs.
Gross Turnover	60,863,768	24,993,623
Other Income	13,065,343	159,348
	73,929,111	25,152,971
Less cost of Materials & Services brought in	(64,744,717)	(38,478,221)
	9,184,394	(13,325,250)
Value Allocated Employees		
Salaries & Wages and Other Benefits		23,935,748
To Government		
TDL & Turnover Tax	1,338,379	288,928
Depreciation & Retained in Business	(25,242,707)	(37,549,926)
	9,184,394	(13,325,250)

INFORMATION OF SHAREHOLDERS AND INVESTORS

ORDINARY SHAREHOLDERS AS AT 31ST MARCH 2022									
No. of Shares Held	Residents			Non - Residents			Total		
	Shareholders	No. of Shares	%	Shareholders	No. of Shares	%	Shareholders	No. of Shares	%
1 - 1000	1,922	227,998	4.05	6	1,701	0.03	1928	229,699	4.08
1001 - 10000	35	78,628	1.4	1	1,850	0.03	36	80,478	1.43
10001 - 100000	3	57,221	1.02	-	-	-	3	57,221	1.02
100001 - 1000000	-	-	-	-	-	-	-	-	-
Over 1000000	2	5,257,602	93.47	-	-	-	2	5,257,602	93.47
	1,962	5,621,449	99.94	7	3,551	0.06	1969	5,625,000	100

No. of Shares Held	Residents			Non - Residents			Total		
	Shareholders	No. of Shares	%	Shareholders	No. of Shares	%	Shareholders	No. of Shares	%
Individual	-	-	-	-	-	-	1,914	355,544	-
Institutions	-	-	-	-	-	-	55	5,269,456	-
	-	-	-	-	-	-	1,969	5,625,000	-

Name of Shareholder	No. of Shares as at 31/03/2022	%
Cargills Bank Limited/Serenity Lake Leisure (Pvt) Ltd	3,723,820	66.2
Serenity Lake Leisure (Pvt) Ltd	1,533,782	27.27
Mr. K.D.A. Perera	34,511	0.61
Mr. S.A. Obeyesekere	12,131	0.22
Mr. S.K. Hathiramani	10,579	0.19
Mr. R.E. Rambukwelle	5,054	0.09
Mrs. D.P.K. Panamaldeniya	5,000	0.09
Tangerine Tours (Pvt) Limited	4,400	0.08
Mr. P.D. Dassanayake	4,212	0.07
Mr. A. Kumarasinghe	3,695	0.07
Mr. A.M.N.A. Weerasinghe	3,100	0.06
Mr. L.S. Goonetilleke	3,086	0.05
Mr. H.V.M.S. De Silva	2,929	0.05
Mr. E. Sivasubramaniam	2,900	0.05
Est Of Mr. T.R.R. Rajan	2,758	0.05
Mr. M.A.T.J. Fernando(Deceased)	2,700	0.05
Mrs. P.P.J. Peiris	2,500	0.04
Mr. P. Madanayake	2,500	0.04
Mrs. Z.M. Adamally	2,461	0.04
Mrs. H. Veerasingham	2,291	0.04

FIVE YEAR SUMMARY

Year ended 31 March		Group	Company				
		2022	2021	2020	2019	2018	
Operating Results							
Turnover	Rs. 000s	225,749	59,525	24,705	101,449	142,148	124,749
Profit / (Loss) before Taxation	Rs. 000s	(76,799)	(41,700)	(56,498)	(33,000)	2,337	(9,412)
Taxation expense / (Reversal)	Rs. 000s	(185)	6,302	6,997	4,977	(1,104)	(3,464)
Profit / (Loss) after Taxation	Rs. 000s	(76,984)	(35,398)	(49,501)	(28,023)	1,233	(12,876)
Balance Sheet							
Share Capital	Rs. 000s	4,336,573	4,336,573	82,500	82,500	82,500	82,500
Capital Reserve	Rs. 000s	95,874	95,874	95,874	95,874	95,874	52,096
Revenue Reserves	Rs. 000s	56,496	95,680	129,667	179,028	207,365	206,247
Non controlling interest	Rs. 000s	146,199	-	-	-	-	-
Share Holder's Fund	Rs. 000s	4,635,142	4,528,127	308,041	357,402	385,740	340,843
No-Current Assets	Rs. 000s	6,979,062	4,720,050	473,253	375,905	390,066	355,903
Current Assets	Rs. 000s	246,005	70,949	49,998	160,340	76,526	52,595
Current Liabilities (Net of Borrowings)	Rs. 000s	(1,634,644)	(124,170)	(54,810)	(28,915)	(26,983)	(21,560)
Borrowings	Rs. 000s	(860,301)	(103,305)	(115,946)	(99,410)	-	-
Provisions / Subsidies	Rs. 000s	(94,979)	(35,397)	(44,454)	(50,518)	(53,869)	(46,095)
Net Assets	Rs. 000s	4,635,142	4,528,127	308,041	357,402	385,740	340,843
Key Indicators							
Earning / (Loss) per Share	Rs.	(0.09)	(0.06)	(8.80)	(4.98)	0.22	(2.29)
Market price per 31st March	Rs.	1,950	1,950	152	141	180	65
Highest Market Price	Rs.	3,050	3,050	199	225	208	75
Lowest Market Price	Rs.	150	150	120.10	122	62.00	40.00
Return / (Loss) on Equity	%	(1.66)	(0.78)	(16)	(7.84)	0.32	(3.78)
Price Earning Ratio	No. of Times	-	-	-	-	818.18	-
Interest Cover	No. of Times	(6.10)	(120.49)	-	(182.30)	-	-
Gearing Ratio	%	13.22	2.90	31	25.52	3.83	-
Current Ratio	No. of Times	0.15	0.57	0.91	5.55	2.84	2.44
Net Assets Per share	Rs.	5.49	5.37	54.76	63.54	68.58	60.59

GLOSSARY OF FINANCIAL TERMS

Accounting Policies

The specific principles, bases, conventions, rules and practices adopted by an enterprise in preparing and presenting Financial Statements.

Accrual Basis

Recording revenues and expenses in the period in which they are earned or incurred regardless of whether cash is received or disbursed in that period.

Capital Employed

Total assets less current liabilities.

Contingent Liabilities

Conditions or situations at the balance sheet date, the financial effect of which are to be determined by the future events which may or may not occur.

Current Ratio

Current assets divided by current liabilities.

Capital Reserves

Reserves identified for specific purposes and considered not available for distribution.

Capital Expenditure

The total additions to Property, Plant and Equipment.

Debt/Equity Ratio

Debt as a percentage of shareholders' funds and minority interest.

Deferred Tax

Sum set aside in the financial statements for taxation that may become payable in a financial year other than the current financial year.

Earnings Per Share (EPS)

Profit attributable to equity holders of the parent divided by the weighted average number of ordinary shares in issue during the period.

Fair Value

Fair value is the amount for which an asset could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction.

Impairment

This occurs when recoverable amount of an asset is less than its carrying amount.

Interest Cover

Consolidated profit before interest and tax over finance expenses.

Market Value Per Share

The price at which an ordinary share can be purchased in the stock market.

Market Capitalization

Number of shares in issue at the end of period multiplied by the market price at end of period.

Net Assets

Total assets minus current liabilities minus long term liabilities minus minority interest. Net assets per share Shareholders' funds divided by the weighted average number of ordinary shares in shares. Pre-Tax Return on capital employed consolidated profit before interest and tax as a percentage of average capital employed at year end.

Price Earnings Ratio

Market price per share over Earnings Per Share.

Return on Equity

Profit attributable to shareholders as a percentage of average shareholders' funds.

Shareholders' Funds

Shareholders' funds consist of stated capital plus capital and revenue reserves.

Total Debt

Long-term loans plus short-term loans and overdrafts.

Total Value Added

The difference between net revenue (including other income) and expenses, cost of materials and services purchased from external sources.

NOTICE OF MEETING

HUNAS HOLDINGS PLC – PQ 72

NOTICE IS HEREBY GIVEN THAT THE THIRTY THIRD ANNUAL GENERAL MEETING, OF HUNAS HOLDINGS PLC, WILL BE HELD ON, 01ST FEBRUARY 2023, AT 10.30 A.M, AT BANDARANAIKE MEMORIAL INTERNATIONAL CONFERENCE HALL, BAUDDHALOKA MAWATHA, COLOMBO 07, SRI LANKA IN TULIP CONFERENCE ROOM IN BLOCK 2 FOR THE FOLLOWING PURPOSES:-

AGENDA

1. To receive and consider the Annual Report of the Board of Directors on the affairs of the Company.
2. To receive and consider the Statement of Audited Accounts for the year ended 31st March 2022 with the Report of the Auditors thereon.
3. To re-elect Ms G.S M Irugalbandara as a Director of the Company, who retires by rotation in terms of Article 26 (6) of the Company's Articles of Association.
4. To re-appoint the retiring Auditors, Messrs. Ernst & Young, Chartered Accountants and to authorize the Directors to determine their remuneration.
5. To authorize the Directors to determine contributions to charities and other donations for the year 2022/2023.

Colombo Stock Exchange: (<https://www.cse.lk/home/market>)

BY ORDER OF THE BOARD OF DIRECTORS OF
HUNAS HOLDINGS PLC
S S P CORPORATE SERVICES (PRIVATE) LIMITED



SECRETARIES

Date: 04TH JANUARY 2023



HUNAS HOLDINGS PLC – PQ 72

Annual General Meeting

FORM OF PROXY

I/We,.....(NIC No.....)
of.....being a
member/members of Hunas Holdings PLC hereby appoint Mr/Mrs/Ms
.....(NIC No.....)
of.....
.....failing him / her,

Mr. W. S. L. A. D. R. Samarasinghe of Pittakotte	failing him
Ms. G. S. M. Irugalbandara of Kaduwela	failing her
Mr. M. A. A. Atheeq of Colombo 04	failing him
Ms. P. Wickramanayake of Mahawewa	failing her
Mr. G. Vinothan of Colombo 04	failing him
Ms. H.A. D. Senaratne of Nawala	failing her

as my /our Proxy to represent me/us and vote and speak for me/us on my/our behalf at the thirty third Annual General Meeting of the Company to be held on **01ST FEBRUARY 2023 at 10.30 A.M** at **BANDARANAIKE MEMORIAL INTERNATIONAL CONFERENCE HALL, BAUDDHALOKA MAWATHA, COLOMBO 07, SRI LANKA IN TULIP CONFERENCE ROOM IN BLOCK 2** and at any adjournment thereof and to vote at every poll which may be taken in consequence thereof.

Please indicate your preference by placing a “X” against the Resolution Number.

	<u>FOR</u>	<u>AGAINST</u>
1. To receive and consider the Annual Report of the Board of Directors on the affairs of the Company.	☐	☐
2. To receive and consider the Statement of Audited Accounts for the year ended 31 st March 2022 with the Report of the Auditors thereon.	☐	☐

3. To re-elect Ms. G.S. M. Irugalbandara as a Director of the Company, who retires by rotation in terms of Article 26 (6) of the Company's Articles of Association.
4. To re-appoint the Auditors, Messrs Ernst & Young, Chartered Accountants until the conclusion of the next Annual General Meeting and to authorise the Directors to determine their remuneration.
5. To authorize the Directors to determine contributions to charities and other donations for the year 2022/23.

☐
☐
☐
☐
☐
☐

Colombo Stock Exchange: (<https://www.cse.lk/home/market>)



As witness my/our hand/s thisday of2023

.....
NIC Number / Reg. No

.....
(Signatures)

HUNAS HOLDINGS PLC – PQ 72

INSTRUCTIONS FOR COMPLETION OF THE FORM OF PROXY

1. Please complete the Form of Proxy after filling in legibly your full name, NIC number and address and by signing in the space provided.
2. If you wish to appoint a person other than the Chairman (or failing him any one of the Directors) as your Proxy, please insert the relevant details in the space provided.
3. If the shareholder is a Company or body corporate, a form of Corporate Representation executed under its Common Seal in Accordance with its Articles of Association or Constitution should be submitted.
4. Where the Form of Proxy is signed under a Power of Attorney (POA) which has not been registered with the Company, the original POA together with a photocopy of same or a copy certified by a Notary Public must be lodged with the Company along with the Form of Proxy
5. Please indicate clearly with an “x” in the space provided, how your Proxy is to vote on the Resolutions. If no indication is given, the Proxy in his/her discretion may vote as he/she thinks fit.
6. To be valid, this Form of Proxy must be deposited at the Registered Office of the Company, Hunas Holdings PLC, No.23, Alfred Place, Colombo 03 **not less than 48 hours before the time appointed for holding the meeting.**

CORPORATE INFORMATION

NAME OF COMPANY Hunas Holdings PLC

COMPANY NUMBER PQ 72

LEGAL FORM A Public Quoted Company with Limited Liability incorporated in Sri Lanka in 1989

BOARD OF DIRECTORS Mr. W.S.L.A.D.R. Samarasinghe Chairman
Mr. M.A.A. Atheeq
Ms. G.S.M. Irugalbandara
Ms. P. Wicramanayake
Mr. G. Vinothan
Ms. H.A.D. Senaratne

SECRETARIES S S P Corporate Services (Pvt) Ltd
No: 101, Inner Flower Road,
Colombo 03.
Phone: +94 11 2573894

AUDITORS Messrs Ernst & Young
Chartered Accountants
201, De Saram Place
Colombo 10

REGISTERED OFFICE No: 23, Alfred Place,
Colombo 03.

BANKERS Sampath Bank PLC
Commercial Bank of Ceylon PLC
Nations Trust Bank PLC